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GOVERNMENT TO RECOGNIZE NEW REGIME IN HAITI

OW040231 Tokyo KYODO in English 0218 GMT 4 Mar 86

[Text] Tokyo, March 4 KYODO -- Japan will recognize the new military and civilian government of Haiti established earlier this month with a diplomatic note to that country, it was announced Tuesday. The new government was formed under the leadership of Lt. Gen. Henri Namphy after former President Jean-Claude Duvalier fled the country to France in January. Japan was notified of the establishment of the new government in a note, and the cabinet endorsed Foreign Minister Shintaro Abe's proposal Tuesday that it be acknowledged in a similar form.

COMMUNICATIONS LINKS WITH SUDAN CUT 3 MARCH

OW040709 Tokyo KYODO in English 0706 GMT 4 Mar 86

[Text] Tokyo, March 4 KYODO -- All telephone, telex and telegram communications between Japan and Sudan have been cut since Monday night, Kokusai Denshin Denwa Co. Ltd (KDD) said Tuesday. It said circuit lines or operational facilities in Sudan side may be out of order.

SUMITOMO TRUST CONCLUDES DEAL WITH PRC BANK

OW031201 Tokyo KYODO in English 1109 GMT 3 Mar 86

[Text] Osaka, March 3 KYODO -- Sumitomo Trust and Banking Co. said Monday it has concluded a correspondence agreement with the Industrial and Commercial Bank of China -- the first such contract between a foreign bank and China's only commercial bank. The bank, set up two years ago, has about 20,000 branch offices in China and began engaging in foreign exchange business last year in the country's four special economic zones such as Shenzhen. The two banks exchanged memoranda on business cooperation in January last year.

DEADLOCK IN FISHERY TALKS WITH USSR PROTESTED

OW031407 Tokyo KYODO in English 1244 GMT 3 Mar 86

[Text] Tokyo, March 3 KYODO -- Eight nationwide fishery organizations held a rally in Tokyo Monday calling for settlement of deadlocked Japan-Soviet fishery negotiations. About 800 local fishermen, fishery industry representatives, and their families assembled in Tokyo Monday afternoon and protested at a Soviet proposal to expand greatly a "no fishing" area, which they said will practically force Japanese fishermen to give up pollack fishing. Japan-Soviet fishery talks which began on November 30 last year have also been deadlocked over the Soviet demands for a "cooperation fee," and Japanese fishermen's departure for the 200-mile Soviet fishery zone in the North Pacific has been held up for nearly two months.

The national rally adopted resolutions demanding that the Japanese Government resume fishery talks with the Soviet Union at the earliest possible date and have the Soviets retract their "unreasonable" demands, and also that Agriculture, Forestry and Fisheries Minister Tsutomu Hata go to the Soviet Union as soon as possible to overcome the impasse. Participants in the rally handed a written resolution to the Soviet Embassy appealing to Ambassador Petr A. Abrasimov to convey to Moscow difficulties being experienced by the Japanese fishery industry.

1986 CAPITAL OUTLAYS TO INCREASE ONLY 1.6 PERCENT

OW031221 Tokyo KYODO in English 1004 GMT 3 Mar 86

[Text] Tokyo, March 3 KYODO -- Japanese businesses will significantly slow down their investment in new plant and equipment in fiscal 1986, beginning April 1, partly due to the deteriorating export climate for high technology products, according to a survey published Monday. The survey, by the governmental Japan Development Bank, said Japanese corporations plan to spend a mere 1.6 percent more on plant and equipment in fiscal 1986, compared with an estimated increase of 9.2 percent in the current fiscal year.

Bank officials attributed the slackening in capital spending to a 4.1 percent drop in planned plant and equipment investment in the manufacturing sector -- the first such fall in three years. Also behind the bearish trend in capital spending is uncertainty about the future course of the economy stemming from the recent upswing of the yen against the dollar, they said. The yen had risen more than 30 percent against the dollar since last September. The officials said private sector capital spending in fiscal 1986 is unlikely to come close to the 7 percent increase targeted by the government.

The survey, covering 1,815 firms with capital of more than 1 billion yen, showed that nonmanufacturing industries such as electric power and services will invest 5.7 percent more in fiscal 1986. Automobile manufacturers will keep their capital spending at a high level, planning to increase investment by 4 percent in fiscal 1986 against an estimated 32.6 percent rise in the current year, according to the survey.

But electric machinery makers will reduce investment by 11 percent, compared with a drop of 7 percent in fiscal 1985. Bank officials also cited a prolonged slump in semiconductors and slackening exports of devices such as video tape recorders, color television sets and office equipment as a reason for the slower capital spending in fiscal 1986. General machinery manufacturers are also expected to reduce capital spending by 12.1 percent in fiscal 1986 against an increase of 20.2 percent in the current year. All material-based industries including chemical, nonferrous metal and paper-pulps plan to reduce their capital investment in fiscal 1986.

The officials said many industries are uncertain about the future course of the U.S. and Japanese economies. The survey showed that almost all industries are increasing capital spending on research and development projects from a long-term perspective.

COMMENTARIES COMPARE MARCOS DOWNFALL TO CHON'S FATE

'Ruin' Inevitable Outcome

SK030556 Pyongyang Domestic Service in Korean 0000 GMT 28 Feb 86

[NODONG SINMUN 28 February commentary: "Those Who Trifle With the Fate of the People Cannot Escape From Ruin"]

[Text] How will the dictators, who turn their backs on the people and worship imperialist masters, come to their end? The fate of Marcos, who was the Philippine president, is another clear answer to this question. As has been reported, Marcos, former Philippine president, was ousted from power and fled abroad. This is the end for dictators.

As a result of the downfall of the Marcos pro-U.S. dictatorial regime and the emergence of the new government of Corazon Aquino, the wife of the late Benigno Aquino assassinated by the Marcos ring, the Philippine situation has entered a new phase.

Ruin and escape abroad were the inevitable outcome of Marcos' acts. The dictators, who trifle with the destiny of the people, view them as hostile, and reign over them with a heavy hand, are destined to meet such a miserable end.

The 21 years Marcos was in power is characterized literally as a dark era in which fascism was rampant, democracy was stifled, and poverty and the absence of rights reached the extreme. The pro-U.S. Marcos reactionary regime exercised the most bestial dictatorial rule over the popular masses. It ruthlessly trampled underfoot the democratic freedoms of the popular masses and their right to survival, bound their hands and feet, and gagged them by continuously placing the country under martial law and by fabricating fascist evil laws. The Marcos ring harshly suppressed the antigovernment advance of the popular masses with bayonets. The Philippine people became the victims of fascist rule and countless people were struck down by the bayonets of the dictator. Furthermore, Marcos, not content with the suppression of his political dissidents, unhesitatingly perpetrated the despicable act of assassination. The assassination of Benigno Aquino, an opposition congressman, in August 1983, is a good example of this.

Irredeemable, severe economic crises and the wretched livelihood of the people were also the outcome of Marcos' antipopular policy. Because of vicious inflation, the economy became insolvent, and unemployed people filled the streets. The majority of people suffered from poverty. Marcos was not interested in the livelihood of the people.

Like other dictators, Marcos also enriched himself by exploiting the people. It has been reported that his property, which was hoarded in the United States, amounts to as much as \$3 million. The Marcos ring oppressed the people and sold out the national dignity and the interests of the people and severely undermined national sovereignty, serving and flattering foreign imperialist forces. The ring played the role of a faithful underling in suppressing the people's anti-imperialist struggle. The crimes, which Marcos committed against the Philippine people, are immeasurably great.

In recent years, the anti-Marcos struggle of the Philippine people was strengthened even in the midst of suppression with bayonets. With the assassination of Aquino as momentum, the resistance of the people assumed an extremely heated nature. In a single day, thousands and tens of thousands of people took to the streets. The world's people called his the "Aquino storm."

Bewildered by the strengthening antidictatorial and anti-Marcos struggle of the people, Marcos tried to squelch the fighting spirit of the people and maintain his long-term power by holding the presidential election 18 months ahead of schedule. However, he miscalculated. With the election pending, the antigovernment and antidictatorial struggle of the people soared. Some military forces added their strength to this struggle. The Marcos dictatorial rule, which reigned over the people with a heavy hand and perpetrated all types of tyranny for a long period of time, could not be maintained and, at last, fell.

Those who trifle with the fate of the people, serve imperialism, and wield a fascist club are doomed to the tragic destiny of ruin. No suppression or crafty tricks can save the fascist dictators rejected by the popular masses. The only way open to dictators is to be branded as the enemy of the people and the betrayer of the nation in history and to fall into the hell of destruction. Dictators and traitors will be subject to their deserved punishment for their antipopular and antinational crimes.

The imperialist masters abandon such useless stooges just as they throw away worn-out shoes. Having sided with Marcos, the United States abandoned the useless lackey when the tide turned against it. The imperialists have exercised the puppet rule in many places throughout the world through lackeys and dictators faithful to them. However, the lackeys and dictators have gone where they were destined to. Ngo Dinh Diem, Somoza, Pahlavi, Duvalier, Pak Chong-hui, and other dictators, who earned themselves ill fame as underlings of the United States while staking their fate on its bayonets and dollars, met their doom without exception.

With the pro-U.S. Marcos dictatorial regime fallen, there remain now the South Korean puppet traitor and a tiny number of his ilk. It is very much clear that their fates cannot be otherwise. The Chon Tu-hwan puppet clique is a group of fascist tyrants which far exceeds the defunct dictators of many countries. Its antipopular and antinational crimes are so great that those of other dictators cannot match them. The South Korean people have taken to the streets of resistance against the traitor Chon Tu-hwan puppets. As shown by history, the position of the puppet traitor Chon Tu-hwan will be reversed tomorrow even though he is suppressing the just struggle of the people with bayonets today.

The lesson from the Philippine situation shows that the strength of the people is great, inexhaustible, and invincible, and that when they rise up, the stronghold of a fascist dictatorship can be destroyed and the dictators and the lackeys of imperialism cannot escape from the fate of downfall. However, no dictator tries to step down from power without trouble. Only through a united struggle can the people topple the fascist dictatorial regime. The puppet dictatorial rule of imperialism, the shame of the era of independence, will certainly fall by the struggle of the people.

Regime Stereotype 'Dictatorship'

SK030227 Pyongyang Domestic Service in Korean 1149 GMT 28 Feb 86

[Commentary by commentator Son Yong-il: "Threat and Blackmail by Those Who Are Seized With Fear"]

[Text] The ruin of pro-U.S. dictator Marcos, who has reigned over the Philippine people and has been bent on tyranny for 21 years, is arousing great repercussion in South Korea.

Traitor Chon Tu-hwan is called the twin dictator of expelled Marcos, the demand that an end be put to his fascist rule at an early date and democratization be realized is being more strongly raised, and the people are restless. The development of the situation and the trend of public sentiments are plunging the Chon Tu-hwan puppet clique into extreme unrest and terror.

At a seminar on 27 February, the puppet minister of culture and information babbled that it is very dangerous for the left-wing radical students to adopt the collapse of the Marcos regime as a model for their strategy. Through a so-called commentary on 26 February, the DJP spokesman clamored: Some figures are unhesitatingly making irresponsible remarks in connection with the Philippine situation. This is an act of spreading a rumor to distort the facts. These remarks of the puppets are reminiscent of the proverb that those who have committed crimes are to be seized with fear. Obviously, the Chon Tu-hwan ring is intimidating the people because it fears that it will be punished for its crimes against the people and it will be faced with such a miserable fate as Marcos.

The Philippine situation clearly shows that the dictators, who turn their backs on the people and rely on foreign aggressors inevitably cannot escape from ruin and the tyrants, who have committed many crimes, are subject to deserving punishment for their crimes. Historical truth shown by the ruins of Syngman Rhee and Pak Chong-hui, and the dooms of Pahlavi, Somoza, and Duvalier were confirmed once again by the collapse of the pro-U.S. Marcos dictatorial regime. In accordance with the theory of this development in history, the incumbent Chon Tu-hwan fascist dictatorship of South Korea is obviously destined to face a collapse soon. The public sentiments of South Korea reflect this inevitable demand and aspiration.

This notwithstanding, the puppet fascist clique labels this demand and desire as rumor-mongering and alleges that the South Korean political situation is drastically different from the Philippine situation. This is a brazen allegation. The Chon Tu-hwan dictatorial regime is, in essence, the same as the Marcos dictatorial regime. What is different from each other is, on the contrary, that the former's nature of treachery, tyranny, and corruption is matchlessly stronger than the latter's. Marcos left part of the Philippines as a U.S. imperialist aggression base by setting a term. Traitor Chon Tu-hwan has left all of South Korea as a U.S. imperialist military base and forward nuclear base forever and has taken every opportunity to beg of his masters for stationing the aggression forces. Marcos has hoarded \$300 million, which he has illegally accumulated, in the United States. Traitor Chon Tu-hwan has illegally accumulated more than \$1 billion through smuggling jewels alone, perpetrating large-scale scandals which have shocked the world.

Furthermore, the Chon Tu-hwan ring murdered thousands of fellow countrymen at a time, in the course of usurping power, and has maintained its power through the bestial suppression of youths, students, and political dissidents with bayonets. This fascist crime far exceeds the crimes of the notorious fascist tyrants. With no sophism can the puppets hide and cover the antinational and antipopular nature of the present fascist dictatorship and their indelible crimes and mislead public opinion.

The South Korean people have kept all crimes, which the Chon Tu-hwan ring has perpetrated, in their minds, and will no longer tolerate the traitorous dictatorial rule of the wretches. This is demonstrated by the fierce anti-U.S. and anti-Chon Tu-hwan advance of the youths and students in defiance of harsh suppression with bayonets and by the struggle of the people of all walks of life for democratization. With no desperate efforts can the Chon Tu-hwan block the grand march of the South Korean people toward independence and democracy and save itself from the fate of ruin.

As was in the Philippines, indignation and curses pent up in the suppression-stricken hearts of the people will explode in South Korea. When the angry people rise up as one, every fortress of heinous dictatorship will be collapsed. The Chon Tu-hwan ring must clearly bear this lesson from history and reality in mind. An end will certainly be put to the South Korean puppet's fascist rule, the object of the South Korean people's curse and hatred and the shame of the era of independence.

Lessons Derived From Philippines

SK011410 Pyongyang Domestic Service in Korean 1309 GMT 27 Feb 86

[Unattributed commentary: "The Fate of a Fascist Dictator"]

[Text] According to foreign news reports, on 25 February, the dictator of the Philippines was forced to resign from the post the president and was banished overseas because of the people's antigovernment struggle. This is the natural consequence of the crimes committed by dictator Marcos and is the fate met by a traitor who has turned his back on the people.

As is well known to the world, Marcos is a fascist jackal who, externally implementing a policy of subserviently following the United States, has sold out the interests of the country and the people, and who has internally suppressed the people's freedom and democratic rights with bayonets. While maintaining fascist rule for a period of 21 years, the dictator, suppressing even minor antigovernment elements, as well as the people's freedom and rights, with bayonets, has executed and murdered patriots. In addition to this, he has caused the Philippine economy to fall in to the state of catastrophe, has increased the number of unemployed, and has forced the people to suffer starvation and poverty. Because of this, the people of the Philippines, harboring feelings of resentment and grudges against dictator Marcos for a long time, have staunchly struggled against fascist rule, demanding that he step down from the seat of power. This was directly reflected in the votes and voting for Corazon Aquino, a presidential candidate from the opposition party, and for dictator Marcos in the election that was held recently.

Backed by the U.S. imperialists, dictator Marcos concocted his election through all sorts of irregularities and swindles. Unable to withstand this any longer, the people of the Philippines rose on a pan-national scale in the struggle to expose and condemn irregularities and swindles in the presidential election and to banish Marcos. The absolute majority of soldiers in the Philippines joined this struggle, and the anti-Marcos struggle reached its zenith, causing the dictator to become exhausted in his attempt to cope with this struggle.

When the situation was completely on the wane, the U.S. imperialists applied pressure on Marcos, urging him to resign from the post of president, in order to eliminate a stooge who became useless. Unable to withstand such strong pressure at home and abroad, Marcos fled abroad on board a plane that the United States had already prepared at the U.S. Clark Air Force Base.

The fate of Marcos shows that those dictators who suppress the people under the patronage of foreign forces and make a mockery of the destiny of the people will be finally abandoned by the people, and that their regimes will be unable to avoid downfall. At the same time, it also shows that no bayonets can suppress the strength of a people who have risen against injustice and despotism, and that if the people from all walks of life jointly rise in the struggle to achieve independence and democracy, they can destroy any citadel of the enemy.

History shows that a dictator who has turned his back on the people cannot last long. The fates of Syngman Rhee and Pak Chong-hui, who dreamed of long-term office by suppressing the people with bayonets under the patronage of the U.S. imperialists, show this. The miserable fates of Duvalier of Haiti and Marcos of the Philippines also show this. The Fate of traitor Chon Tu-hwan of South Korea will be no different than that of Marcos of the Philippines.

Although the fascist Chon Tu-hwan clique has unprecedentedly suppressed the people in a fascist manner to prolong its term of office, this is a futile attempt. This will only increase the people's resentment and resistance and expedite its downfall. The Chon Tu-hwan clique should naturally draw a lesson from the fates of previous dictators who were severely punished by the people after frantically running amok to suppress the people, dreaming of a lifelong presidency, and should step down from the seat of power.

The situation in the Philippines furnishes the lesson that those dictators who follow the course of treachery under the manipulation of the imperialists and who run counter to the desire of the people by resorting to fascist rule will be forced to traverse the road to ruin.

Chon Faces Impending Doom

SK030107 Pyongyang Domestic Service in Korean 1150 GMT 1 Mar 86

[Commentary by station commentator Chon Tu-ul: "The Dictator's Mask Drama"]

[Text] In a meeting with the puppet minister of national unification on 27 February, traitor Chon Tu-hwan made the absurd remarks that tension on the Korean peninsula should be relaxed through the North-South dialogue, that war should be prevented, that a foundation for peaceful reunification should be created, and so forth, while pretending to be interested in peace and the peaceful reunification of the Korean peninsula. This is none other than a cunning, deceitful trick to conceal his nature as a vicious divisionist who pursues confrontation and to mislead public opinion at home and abroad. Moreover, in a meeting with the puppet minister of culture and information the day before this, the puppet traitor raved that the propaganda capability of heightening anticommunist vigilance and the sense of security should be enhanced.

In reality, the unprecedented large-scale "Team Spirit-86" joint military exercise, aimed at launching a surprise attack on the northern half of the republic, is being frantically staged in South Korea. Because of this, the long awaited North-South dialogue was suspended and grave obstacles and danger have been placed before dialogue. Furthermore, because of the adventurous "Team Spirit-86" war exercise rackets, the situation on the Korean peninsula is faced with the danger of a nuclear war, which may break out any moment.

The Chon Tu-hwan puppet clique is outwardly trumpeting about peace while premeditatedly leading the situation in Korea to the brink of war in accordance with the U.S. imperialists' scenario. Indeed, traitor Chon Tu-hwan is a shameless hooligan who does not know about shamelessness and prestige. If the puppet traitor is interested in peace and the peaceful reunification of the Korean peninsula even slightly, how can he bestially suppress, with guns and bayonets, the South Korean students and people who demand independence, democracy and reunification?

Facts show that the puppet traitor is not interested in peace and peaceful reunification in the least and that he is only advancing along the road of division, confrontation, and war in accordance with the U.S. imperialists' directives.

This notwithstanding, traitor Chon Tu-hwan is pretending to be interested in peace on and the peaceful reunification of the Korean peninsula. This has something to do with the trend of the situation in South Korea, which is growing more serious every day.

The Chon Tu-hwan clique placed the entire police in an emergency posture to block the struggle of the students and the people from all walks of life for independence and democracy which is being rapidly expanded and developed in South Korea. It raided and blocked the headquarters of the opposition party and the office of the Council for Promotion of Democracy, as well as 129 universities and colleges. It adhered to bestial atrocities that are beyond description such as arrests and home arrests of democratic figures including Kim Tae-chung and Kim Yong-sam and those who signed in the signature collection campaign for constitutional revision.

However, this has only evoked great resistance by the people from all walks of life. In particular, the antigovernment struggle, which has been constantly waged by the students during the semester break, appears to have expanded and developed into a more powerful mass movement with the beginning of the new semester.

At the same time, it has become an irreversible trend that the pro-U.S. dictators are being ousted from the international political area after being abandoned by the people. Sometime ago, Duvalier, a pro-U.S. dictator, in the face of the people's resistance, was expelled overseas. Following this, Marcos, a pro-U.S. dictator who implemented an atrocious, fascist rule in the Philippines for more than 20 years, had to flee overseas in the wake of the fierce resistance of the people. Today, public opinion at home and abroad unanimously points out that the next pro-U.S. dictator who will be driven out from power soon in the face of the strong resistance of the people is none other than traitor Chon Tu-hwan.

The puppet traitor Chon Tu-hwan, in the face of such a situation, is seized with terror and unrest and is foolishly maneuvering to conceal his bellicose and divisionist nature of pursuing only the line of confrontation and war by raving about dialogue, peace, and so forth.

However, no matter what cunning tricks traitor Chon Tu-hwan may employ, he cannot conceal his filthy nature as the most vicious military fascist dictator who is thoroughly isolated from and rejected by the people. Dictator Chon Tu-hwan who is running amok with treachery, running counter to the trend of the times and national aspirations, and who is pursuing only the line of confrontation and division while perpetrating the fascist suppression of the people, cannot avoid a miserable end, just like Duvalier and Marcos, in the face of the people's fierce resistance.

MAC MEMBER LETTER TO NEUTRAL NATIONS COMMISSION

SK031456 Pyongyang Domestic Service in Korean 1200 GMT 3 Mar 86

[Text] In connection with the fact that the U.S. side, flagrantly violating the Armistice Agreement, is conducting the "Team Spirit-86" joint military exercise by bringing numerous forces and ultra-modern military materiel into South Korea, Major General Yi Tae-ho, senior member of our side to the MAC, today sent the following letter to the Neutral Nations Supervisory Commission [NNSC]:

To the NNSC:

In connection with the fact that the United States and the persons in authority in South Korea, despite the demand of the Armistice Agreement and the unanimous opposition of our people and the world's peace-loving peoples, began, after all, the "Team Spirit-86" joint military exercise, I, expressing respect for the NNSC, send this letter.

As your commission also knows well, in the 11 January statement by the Ministry of Foreign Affairs, the DPRK Government, deciding not to conduct large-scale military exercises throughout the northern half of the republic as of 1 February and to stop all military exercises during the period when the North-South talks are being held, proposed that the U.S. Government and the South Korean authorities respond to this.

Our just and peace-loving proposal received sympathy and welcome from your commission because it reflects the urgent demand and wishes and expectations of the Korean people and the world's peace-loving peoples, who hope that tension will be alleviated in Korea and that the North-South dialogue will be held smoothly.

However, the United States and the persons in authority in South Korea challenged the people's wishes for peace and our proposal for alleviating tension by beginning, on 10 February, the "Team Spirit-86" joint military exercise, in which numerous major operational command institutions of the U.S. forces participate and in which nuclear-powered aircraft carriers, strategic bombers, new-type missiles, and other ultra-modern war means and forces some 200,000 strong consisting of combat units of the Army, the Navy, and the Air Force are mobilized.

Numerous warships, aircraft, tanks, armored personnel carriers, cannon, and rockets; a huge quantity of ammunition and combat materiel; and forces, scores of thousands strong, are swarming into South Korea from bases in the continental United States and islands in the Pacific and various bases in Japan.

Needless to say, this war exercise that the U.S. side is conducting is an act of flagrantly violating the preamble, paragraph 12, and items c and d of paragraph 13 of the Armistice Agreement and is an open threat against us. Nevertheless, the U.S. side invited the Korean and Chinese side and members of the NNSC to this military exercise. We regard this as an intolerable defilement against us and a mockery of the Armistice Agreement.

The U.S. side has provided grave obstacles before the peaceful reunification of Korea by suspending North-South dialogues, which were arranged after a long lapse of time, and which were being held amid the great interest and expectations of our people and the world's peace-loving peoples, and by aggravating tension. This is an open war maneuver that cannot be justified by anything and an act of destroying peace. Moreover, if the U.S. side's arrogant and dangerous act of unhesitatingly conducting the offensive large-scale exercise against the opposing side by deploying some 1,000 nuclear weapons in South Korea and by bringing in [word indistinct] numerous ultra-modern military materiel items and large-scale forces from (?beyond the boundaries of) Korea is continuously allowed, we cannot but worry with regard to the existence of the Armistice Agreement, not to speak of its implementation, and peace and security on the Korean peninsula will face [word indistinct] danger.

I believe that the NNSC is of the same opinion with regard to not tolerating the development of the present situation, in which our sincere efforts to peacefully resolve the question of reunifying the country through dialogue and negotiation are being violently challenged by the U.S. side and in which process toward peace in Korea is suffering grave frustration.

I express the hope that, paying deep attention to this grave situation being promoted on the Korean peninsula, the NNSC, which takes a deep interest in maintaining peace in Korea and which is on a mission of supervising the implementation of the Armistice Agreement, will join in the voices of the world's people who demand the stopping of the "Team Spirit-86" military exercise, which is running counter to the North-South dialogue and the alleviation of tension, by discussing the U.S. side's act of flagrantly violating the Armistice Agreement, which is mentioned in my letter, and by taking possible measures.

I expect a positive reply. I again express respects.

KPA Major General Yi Tae-ho, senior member to the MAC of the KPA and the Chinese People's Volunteers side

3 March 1986

PARLIAMENTARY DELEGATION ASSAILS 'TEAM SPIRIT'

APA 042

SK260450 Pyongyang Domestic Service in Korean 2100 GMT 25 Feb 86

[Statement issued in Pyongyang on 25 February by the DPRK delegation to the preliminary contact for the North-South parliamentary talks in support of the order of the KPA supreme commander and the statement of the DPRK Foreign Ministry spokesman -- read by announcer]

[Text] Because of the adventurous "Team Spirit-86" joint military exercise staged by the U.S. imperialists and the persons in authority in South Korea, the situation in our country is becoming more acute with each passing day. Tens of thousands of combat-ready U.S. troops and a great number of modern war means, including aircraft carriers, fighter-bombers, and nuclear weapons, are now converging on South Korea from the continental United States, Hawaii, Japan, and the Philippines. Furthermore, the attack exercise simulating a northward invasion is about to enter the earnest stage. No one can predict when such a war exercise racket will transfer into an actual war.

Such a grave reality in our country clearly demonstrates how appropriate, in terms of its timing, and solely self-defensive a measure was the order issued by the supreme commander of the KPA and the statement announced by the spokesman of the DPRK Foreign Ministry. Recognizing the order of the supreme commander of the KPA and the statement of the spokesman of our country's Foreign Ministry not only as a firm guarantee for the credible defense of the security of the fatherland, but also as an important measure for greatly contributing to defending peace in the world, the delegation of our side to the preliminary contact for the North-South parliamentary talks supports it fully.

The acute situation now prevailing on the Korean peninsula clearly separates those who genuinely hope for detente and peace from those who pursue tension and war and those who have genuine concern for the people from those who betray them in our country. Motivated by the noble singlemindedness to ease tension prevailing in the country, consolidate peace, and provide a new turning point for national harmony at all cost, our side has not only consistently insisted on discussing the issue of announcing a joint declaration of nonaggression between the North and South, but has also spared no effort to positively advance all forms of North-South dialogues.

This year alone, the government of the republic has taken the initiative to adopt the measure of refraining from conducting large-scale military exercises throughout the northern half from 1 February and of halting all military exercises during the period of the North-South dialogue. The delegations by issuing addresses and statements since the beginning of the new year, of our side to the North-South dialogue have also ardently called for abstention from riling the atmosphere of dialogue and for canceling the plan for the "Team Spirit-86" joint military exercise.

All such peace-loving measures and serious efforts on the part of our party have evoked greater sympathy among the well-intentioned people at home and abroad and won positive support and welcome from them.

If the United States and the South Korean authorities had a modicum of interest in detente and peace, they should have responded to our proposal with sincerity as a matter of course. However, by responding to our peace-loving proposals and sincere efforts with large-scale military provocation maneuvers, the United States and the South Korean authorities exposed, by themselves, that what they persistently hope for an invariably pursue in our country is only confrontation, tension, and war.

Although they are making poor excuses regarding the large-scale military exercise now in progress, arguing that it is of a defensive nature or that it has nothing to do with dialogue, in an attempt to camouflage their bellicose stand, the United States and South Korean authorities can convince no one with such excuses.

To be consistent with the facts, how can an attack exercise, a three-dimensional exercise being conducted in the sky, on the ground, and at sea, with the mobilization of a large number of troops, numbering 200,000, be of a defensive nature? Furthermore, does an act of training guns and swords on the other party to dialogue have nothing to do with dialogue? This is nothing but a brigandish theory like insisting that black is white. What surprises the world's people, in addition to such a theory, is that the South Korean side, which, not having a modicum of national pride, has been exacerbating tension and has suspended even preliminary contact for the North-South parliamentary talks. Unconditionally riding on the coattails of outside forces, they are now heaping preposterous language on us, arguing that we are destroying the atmosphere of peace or that we are exacerbating tension.

Such an act, which bears resemblance to a thief calling others thieves -- an act of laying bare for all to see their own brazen-faced nature and impudence -- can only be viewed as a rash and outrageous act that deserves unanimous ridicule and denunciation from public opinion at home and abroad. The goal behind the war atmosphere that the South Korean authorities are creating in collusion with outside forces is apparent. By deliberately creating an atmosphere of confrontation and exacerbating tension, and by using this as an excuse, they are trying to subdue with bayonets the patriotic youths and students aspiring for independence, democracy, and reunification and the democratic personages who have joined in the campaign of collecting 10 million signatures, and to keep the fascist military system in place at all costs.

Under circumstances in which the persons in authority in South Korea are blocking the advance of dialogue by launching a military exercise and are trying to use the dialogue for the Olympic Games or staying in power, running counter to the aspirations and will of the entire people, dialogue is, in fact, meaningless.

Under any circumstances, dialogue should remain one for detente and for peace, reconciliation, and reunification. The entire people can hardly suppress indignation over the fact that the South Korean authorities, while paying lip-service to dialogue, are avoiding the solution of practical issues and pursuing other impure political purposes. We do not want such a dialogue.

The U.S. imperialists and the persons in authority in South Korea should immediately abandon the adventurous "Team Spirit-86" military exercise, which is incompatible with dialogue and which runs counter to detente and peace, and take, as a matter of course, responsibility for having suspended the North-South dialogues and for having endangered even their management, and apologize for such an act. If they continue to pursue confrontation and war, ignoring the aspirations and hope of the entire Korean people and the world's peace-loving people, no good result will await the provocateurs.

U.S.-JAPAN MANEUVERS IN HOKKAIDO CRITICIZED

SK040443 Pyongyang Domestic Service in Korean 1149 GMT 27 Feb 86

[Commentary by station commentator Kim Yong-nam: "A U.S.-Japan Joint Exercise Aimed at the Korean Peninsula"]

[Text] According to a news report, a 3-day U.S.-Japan joint winter military exercise was launched in Hokkaido, Japan, on 18 February. Participating in this joint exercise were troops from the U.S. imperialist 25th Infantry Division, which had crawled into the region from Hawaii, the Green Beret force in Okinawa, and Japan's Ground Self-Defense Forces. The rascals zealously participated in the war exercise, conducting a tiring exercise by traversing fields of snow 2 meters deep on skis in the severe cold.

In light of the composition of troops participating in the exercise and in light of its contents and venue, the recent U.S.-Japan joint exercise is a very dangerous war exercise aimed at the Korean peninsula. A Japanese military critic said that in the Far East, the Green Beret unit attaches the greatest importance to the Korean peninsula. He said further that the aim of the Green Beret unit's participation in the U.S.-Japan joint winter military exercise staged in Hokkaido is to conduct a winter exercise where the terrain is similar to the area north of the 38th Parallel. This is by no means accidental.

The Green Beret unit is a special task force designed for aggression against Korea and is the U.S. imperialists' special tactical operational unit which has been engaged in murder, subversion, espionage, and intrigue. In the Korean war, the Green Beret unit was deployed on the Korean frontline; it brutally killed our people and wickedly carried out espionage, subversive, and terrorist activities against the republic, thus becoming notorious. Before participating in the "Team Spirit-85" war exercise last year, the Green Beret unit conducted a preliminary exercise in Hokkaido and then crawled into South Korea. It is maneuvering to do so this year, too.

The U.S. imperialist 25th Infantry Division, which participated in the U.S.-Japan joint winter exercise staged in Hokkaido, committed all sorts of barbarous acts by participating in the past aggressive Korean war. It has whetted the sword of northward invasion by annually participating in the "Team Spirit" war exercise.

It is crystal clear why the U.S. imperialists staged a military exercise in Hokkaido, whose terrain and climatic conditions are similar to our country, by deploying these aggressive troops, which have bloodstained war records in aggression against Korea. No doubt, they have done so to attack our republic. In particular, it is very unusual for the U.S. imperialists, while frantically staging the "Team Spirit-86" war exercise in South Korea, to launch a joint military exercise with the Japanese reactionaries.

Prior to the U.S.-Japan joint military exercise in Hokkaido, the U.S. imperialists staged a U.S.-Japan military exercise in Miyazaki Prefecture, Japan, through the mobilization of aircraft, including F-15 and F-4 planes. From 24 to 28 February, they conducted a U.S.-Japan Army, Navy, and Air Force map exercise. These joint military exercises have been or are being staged in areas that are geographically close or similar to the Korean peninsula without exception.

The contents of these exercises have been air battles and antisubmarine, amphibious, and rear area guerrilla warfare. These military operations have nothing to do with defense. These exercises are necessary to attack others. This shows that the U.S.-Japan joint exercises have been planned and staged as part of the "Team Spirit-86" war exercise, simulating a contingency on the Korean peninsula.

It is widely known that the unprecedented large-scale "Team Spirit-86" joint military exercise that the U.S. imperialists are staging with the South Korean puppets is a preliminary and nuclear test war designed to launch a surprise and all-out attack against the northern half of our republic.

While expanding the size of the "Team Spirit" joint military exercise and while further supplementing its contents into one that is much more offensive, the U.S. imperialists aim at striking us at any moment. In light of its nature and contents, the reckless military exercises frequently staged in Japan, which is close to Korea, assume a nature that is compatible with the "Team Spirit-86" war exercise. This shows that the war exercises being staged in South Korea and Japan constitute maneuvers to complete the joint tactical operations of the tripartite military force of the United States, Japan, and South Korea and the formation of a tripartite military alliance among the rascals.

The reckless war exercises jointly staged by the U.S. imperialists, the South Korean puppets, and the Japanese reactionaries show that the tripartite military alliance is actually functioning, even though it has not been signed. Because of the maneuvers of the U.S. imperialists to form the tripartite military alliance, tension has been further heightened in Korea and Asia as a whole, and the danger of war has increased. The U.S. imperialists and the Japanese reactionaries should carefully consider the consequences of their reckless war maneuvers and should behave discreetly.

JAPANESE 'SECURITY COUNCIL' FORMATION DENOUNCED

SK2311111 Pyongyang KCNA in English 1035 GMT 23 Feb 86

[Text] Pyongyang, February 23 (KCNA) -- NODONG SINMUN and MINJU CHOSON today denounce the moves of the Japanese Government to set up a new organ called "National Security Council" dealing in an all round way with such matters as military, public peace, information and diplomatic affairs and stockpile of strategic materials.

The author of a NODONG SINMUN commentary says: The decision of the Japanese reactionaries to set up the "National Security Council" is a step to further accelerate Japan's militarisation and fascistisation, perfect its war system and realise strategic integration with the United States. In setting up this organ the Japanese Government seeks to settle at will matters related to militarisation, fascistisation and perfection of the war system by a small ruling group without the approval of the Diet. Like the "National Security Council" of the United States, the "National Security Council" the Japanese ruling circles plan to set up is a brewery of plots from A to Z for overseas aggression, militarisation and fascistisation.

In pursuance of the old dream of the "greater East Asia coprosperity sphere" the Japanese reactionary ruling circles are scheming to step up militarisation, fascistisation and overseas aggression with greater zeal by setting up such organ as the "National Security Council".

The decision of the Japanese Government to establish the "National Security Council" furnishes added proof that the revival and rearming of Japanese militarism have reached a very dangerous stage and signals its schemes to realise the overseas dispatch of the "Self-Defence Forces", step up the comeback to Korea in particular and participate in war of aggression. Japanese ruling circles must not seek militarisation and fascistisation but give up their wild ambition to reinvade Asia.

REUNIFICATION OF KOREAN PENINSULA ADVOCATED

SK031208 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
26 Feb 86

[Talk by station commentator Kim in the "Feature Program": "Peace and Reunification"]

[Text] Nearly 40 years have passed since our national liberation and some 30 years since the boom of guns stopped at the end of the Korean War. However, instead of bright prospects for reunification, a wall of division is still being built higher and higher on the Korean peninsula. Prevailing on the Korean peninsula are not warm winds of peace; but rather, recurring dark war clouds hang heavily over it. Herein lies the seriousness of the issue of the Korean peninsula.

The issue of the Korean peninsula is essentially an issue of reunification. Bringing an end to the tragic history of division and reunifying the fatherland by peaceful means is a life-and-death task of paramount significance for the nation, the solution of which cannot be postponed any longer. Nevertheless, the danger of war stands in the way of reunification in our country. The issue of eradicating the danger of war and of guaranteeing lasting peace in our country has become a great precondition for the settlement of the issue of reunification.

Even at this moment, vast armed forces are amassed in the North and South across the truce line. the danger of recurrence of war has become a realistic question of today, not a question of tomorrow. In fact, the question of war and peace on the Korean peninsula has become more serious than the question of division and reunification, because the question of war and peace is directly linked to the question of national survival, which is decisive in determining the survival of the people and the fate of the country.

Without the preconditions for peace, it is impossible to guarantee the nation's existence, and achieve national reunification. Common sense dictates that if a war breaks out on the Korean peninsula, it will not remain a general war fought by conventional weapons, but will develop into a nuclear war. It will also not remain a regional war confined to the boundaries of the Korean peninsula, but will escalate into a global war.

When this happens, what kind of calamities will our people have to suffer and, in particular, what kind of retaliatory strike will South Korea, a U.S. nuclear storage site and a base from which to launch a nuclear attack, have to withstand? It will inevitably be a formidable disaster, the mere thought of which sends shudders up our spines.

The peaceful reunification of the fatherland, the earnest wish of the nation, can be achieved only when the nation exists and only after peace is guaranteed. There can be no dialogue or reunification on an empty site where the entire nation lies in shambles as a result of devastation by a thermonuclear war, and where the entire people have been turned into a heap of ashes. This can be viewed as a basic logic presented by the reality of our country, which faces the danger of a nuclear war.

Ignoring the issue of war while babbling about reunification is a terrible form of self-deception as well as a deliberate escapist act.

Another reason why the issue of easing tension and preserving peace in our country becomes a great precondition for the settlement of the issue of reunification is because the issues of arranging a peaceful environment and conducting a successful dialogue and contacts between the North and South are mutually linked to each other.

The various forms of dialogue and contacts in our divided country can, in effect, be viewed as the processes designed to provide conditions favorable to national reunification. Under any circumstances, such dialogues and contacts between the North and South cannot be achieved without providing a peaceful environment. Even humanitarian projects of the Red Cross cannot be smoothly realized without preconditions for the relaxation of confrontation and tension and for peace.

When Yi Pom-sok, senior delegate of the Korean National Red Cross to the North-South dialogue conducted in the 1970's, was in the North, he, being from Pyongyang, came to the realization that his aunt was still alive there. Yi Pom-sok, however, did not meet with her, on the grounds that he might be politically misunderstood in Seoul if he met her.

The same can be said of the collaboration and exchange in the economic field. Economists cannot invest with assurance in a place filled with confrontation and tension. Economic collaboration and exchange cannot be properly realized without guarantees for the preservation of peace.

Under circumstances in which guns are trained on each other, with no one sure when the order for opening fire will be issued, songs sung by singers through the exchange of art troupes will not sound peaceful. Even the sports exchanges will not be wonderful matches whose goal is to pursue the promotion of amity, friendship, and unity. The North-South dialogue is always an instrument to contribute to the work of reunification. North-South relations can be improved through dialogue, and favorable conditions for reunification can be provided through such means as dialogue and contacts.

The distrust, misunderstanding, and hostility are the products of confrontation, and confrontation is taboo to dialogue. Put simply, dialogue and confrontation are incompatible. The two sides can gladly hold each other's hands only when they remove the knives carried in hidden places.

The dialogue of the 1970's ended up with a bad outcome, called confrontation, as predicted by the persons in authority. The dialogue that resumed in the mid-1980's, after twists and turns, also had to go through artificial sufferings, that is, suspension for half a year, because of the shooting incident against the North at Panmunjom, the "Team Spirit-86" South Korea-U.S. joint military exercise which assumed the other party to dialogue as an enemy, and other such things. Such a case demonstrates that the North-South dialogue can come to substantial fruition only under peaceful conditions.

As has been said previously, the most central and essential condition for the settlement of the issue of reunification is to preserve peace on the Korean peninsula. At present, the Korean peninsula is in a state of temporary truce. Undoubtedly, a truce agreement between belligerent countries is preconditioned to be replaced with a peace treaty that will follow. The fact that an agreement that is nothing more, by definition, than a truce has been left unchanged for some 30 years constitutes a major cause of tension. For this reason, a fundamental measure is necessary to bring an end to the temporary truce and to build lasting peace.

It is my belief that there are problems to be settled between the United States and the North and also problems to be settled between the North and South Korean authorities for the settlement of peace on the Korean peninsula. The desirable problem to be settled between the United States and the North may be to replace the truce agreement with a peace treaty, a peace agreement, and the problem to be settled between the North and South Korea may be to declare mutual nonaggression.

These are considered to be the two aspects that are linked to each other in solving the question of the Korean peninsula comprehensively. Lasting peace will not be achieved on the Korean peninsula simply because the issue of replacing the truce agreement with a peace agreement has been solved, nor, in fact, will a declaration of nonaggression between the North and South, by itself, guarantee peace. Only when these two issues are solved simultaneously and in a unified context, without separating one problem from the other, will the issue of peace on the Korean peninsula be solved as a whole.

In this light, the proposal for tripartite talks proposed by the North can be viewed as a positive peace proposal aimed not only at resolving the issue of peace, which is a matter of life and death regarding the fate of the nation at present. Through such means as dialogue and negotiations, not through confrontation, eradicating the roots of the danger of war rather than seeking only the relaxation of tension and deterrence of war will be achieved. The proposal for tripartite talks is in conformity with the items agreed on in the truce agreement, which stipulates that belligerent countries convene high-level political meetings.

What makes the North's proposal on tripartite talks a way capable of resolving the issue of peace on the Korean peninsula as a whole? This was because those directly responsible for peace on the Korean peninsula are the United States and the North and South authorities. It is the United States and the North that signed the truce agreement that has been in force for more than 30 years on the Korean peninsula. The armed forces that face off against each other in a state of truce are made up of the Army of the North, U.S. troops, and the Armed Forces of the South.

There is no doubt that if a war breaks out again on the Korean peninsula it will be a war fought between the combined forces of the United States and South Korea and the Army of the North. A war will be fought between the three parties. Likewise, as regards settling the issue of peace, it has to be between these three parties. Therefore, the way to eradicate the danger of war on the Korean peninsula and build peace there depends on these three parties.

To seek a practical step to liquidate tension and confrontation on the Korean peninsula and consolidate peace there, there is no other way than to hold tripartite talks. Among the three parties, no party should be omitted. At the same time, no other party should be allowed to additionally participate. This is because no one can substitute for these three parties in settling the question of peace on the Korean peninsula.

At present, the Chon Tu-hwan group is charging that it is a flunkeyist idea that the North is trying to sit face-to-face with a foreign country, instead of trying to settle the pending problems with the South. This is a far-fetched argument that is totally unconvincing. At the same time, this is nothing more than a game of words played without shame.

If they had not turned the real power of handling the question of war and peace over to the United States and if they had made the U.S. troops withdraw from South Korea, thus exercising the sovereignty of the country with the prestige of the nation, the North would not persistently demand the talks with the United States.

It is none other than the United States which exercises all real power and acts as master on this soil. This, precisely, is the reason why the North is trying to settle questions by sitting face-to-face with the United States.

Of course, there are problems that should be solved between the North and the South in order to guarantee durable peace on the Korean peninsula. The question of adopting a declaration of nonaggression, which envisages the two sides' mutual pledge not to use force of arms and not to attack the opposite side; the drastic reduction of their military troops and equipment; and the elimination of the military confrontation, is indeed an urgent pending problem which should be solved by the North and the South. This is, precisely, the reason why the North has proposed the tripartite talks -- the talks between the North and the United States with the participation of the South Korean authorities.

If a peace agreement is concluded between the North and the United States and a declaration of nonaggression is adopted between the North and the South through tripartite talks, this will become a legal step that will completely eliminate armed confrontation and serve as a practical guarantee to create an atmosphere of durable peace. The North's sincere attitude to plant peace on the Korean peninsula has once again been displayed through the proposal made last 11 January. I think this further proves the justness of the proposal for tripartite talks.

CHON MANEUVERS IN HOSTING OLYMPICS DETAILED

SK241329 Pyongyang Domestic Service in Korean 0835 GMT 20 Feb 86

[Unattributed talk: "The Act of Running Counter to the Olympic Ideal"]

[Text] The Chon Tu-hwan ring is more viciously maneuvering to successfully host the 24th Olympics in Seoul with each passing day. The puppets are squandering a large sum of money, collected from blood tax, in handing signboards advertising the Olympics along streets and in constructing hotels and amusement parks while talking about preparations for the Olympic Games. Also, they are tormenting the people by mobilizing organizations for Olympics preparations. Traitor Chon Tu-hwan's enthusiasm about hosting the Olympics is a vicious challenge to our people and the world's peace-loving people who desire peace in and the peaceful reunification of Korea and treasure the sacred Olympic ideal.

From the outset, trying to host the Olympics in Seoul has been a criminal act of contradicting the Olympic ideal. As you know, the international Olympics adopt as their sacred ideal the promotion of peace, harmony, cooperation, and friendship among many nations through sports events. Therefore, the Olympics should be held in such a place, where there are no problems in terms of political affairs, where democratic freedom is guaranteed for the people, and where durable peace is ensured, in compliance with the idea.

The world knows that Seoul, South Korea cannot become such a place. South Korea is a model colony which is occupied by the U.S. aggression forces which act as the masters. A great number of modern war means, including some 1,000 nuclear weapons, and aggression armed forces are massed and such large-scale war drills as the "Team Spirit" exercise are daily waged in South Korea. As a result, the danger of the outbreak of a war at any time constantly prevails in our country. South Korea is also the grave of democracy and the wasteland of human rights where all democratic freedoms and rights and even the primary right to survival are ruthlessly infringed upon the obliterated and where only the bayonets of fascism are rampant.

The Chon Tu-hwan puppet clique is indiscriminately suppressing and murdering people who desire independence, democracy, and reunification. In recent days, the wretches mobilized some 3,000 riot policemen against a rally of youths and students demanding the revision of the fascist constitution, harshly suppressed participants, and perpetrated bestial atrocities.

The South Korean youths, students, and people, who are trying to no longer tolerate the tyrannical and oppressive rule of the U.S. imperialists and the Chon Tu-hwan puppet clique, are powerfully waging the anti-U.S. struggle for independence and the anti-fascist struggle for democratization even in the midst of the harsh suppression by the wretches.

How can athletes of many countries in the world hold the Olympic Games to promote friendship, unity, and peace in Seoul where bayonets are rampant, human rights are ruthlessly infringed upon, and the outcry of indignation and enragement of the people are echoing throughout the world and in the skies? If the Olympics are to be held in Seoul, the socialist countries and countless nonaligned and Third World countries, which do not recognize the South Korean puppets, will not participate in the Olympics. Holding the Olympiad in Seoul will result in causing not unity, but alienation among nations, in bringing about not friendship, but antagonism, and in further increasing the danger of war instead of peace. Facts show that the maneuvers of the U.S. imperialists and the Chon Tu-hwan puppet clique to host the Olympics totally run counter to the Olympic ideal.

This notwithstanding, traitor Chon Tu-hwan is getting heated in hosting the Olympics. Hidden herein are sinister political purposes. One of these purposes is to create an international environment for the fabrication of two Koreas by holding the Olympics in Seoul and, thus, by giving the impression to the international community that South Korea is an independent state. The other purpose is to use the Seoul Olympics as a means to prolong his power.

Traitor Chon Tu-hwan, who assumes the position of the honorary president of the Olympics, is preparing for the Olympic Games under his supervision. This is a maneuver to continue to assume the presidential post under the pretext of the Seoul Olympics even after finishing up his tenure.

As a matter of fact, the Chon Tu-hwan puppet clique is very maliciously maneuvering, openly saying that the Olympics should be used as a means to consolidate the incumbent military, fascist, and dictatorial system of South Korea.

Today, people at home and abroad strongly oppose and reject the maneuvers of the U.S. imperialists and traitor Chon Tu-hwan to host the Olympics in Seoul. The South Korean people will powerfully stage the struggle to check and frustrate the maneuvers of the Chon Tu-hwan puppet clique to host the Olympics, closely combining the struggle with the anti-U.S. struggle for independence and the antifascist struggle for democratization.

PYONGYANG MEETING MARKS 1 MARCH POPULAR UPRISING

SK010525 Pyongyang KCNA in English 0509 GMT 1 Mar 86

[Text] Pyongyang, March 1 (KCNA) -- A Pyongyang meeting was held yesterday to commemorate the 67th anniversary of the March first popular uprising (March 1, 1919). Yo Yon-du, director of the secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, delivered a report at the meeting. She referred to the historical significance of the March first popular uprising which spread to all parts of the country and even settlements of Koreans abroad.

The reporter said that the March first popular uprising taught the truth that if the popular masses are to win in the revolutionary struggle, they must be guided without fail by an outstanding leader and the internal forces capable of shaping a correct strategy and tactics and waging an organised struggle must be built up and left serious lessons that flunkeyism and dependence upon foreign forces must be thoroughly rejected and that the people should defeat the armed enemy only with arms in their hands.

Such practical experience and lessons urgently demanded the emergence of an outstanding leader who would lead the anti-japanese movement for independence to victory, she said, and stressed: It was not until the great leader Comrade Kim Il-song set out on the road of the revolution that this ardent desire of the Korean nation was realised. The desires of the March first popular uprisers for sovereignty and independence have not yet been realised fully. The U.S. imperialists who occupied South Korea to take the place of the Japanese imperialists established a colonial ruling system harsher than that of the Japanese imperialists and completely seized the prerogative of the supreme military command, to say nothing of the real political power and economic arteries of South Korea, and have enforced an unheard-of despotic colonial military fascist rule for the past dozens of years, changing their stooges each time a crisis was created.

Today the fascist dictatorial regimes, which had ridden roughshod over the people and oppressed and exploited them with the backing of outside forces, have been toppled one after another in Asia and other parts of the world, the reporter noted, and said: the Duvalier dictatorial regime has recently collapsed in Haiti and on February 25 in the Philippines pro-American Minion Marcos who had enforced a truculent fascist dictatorship over the last 21 years was expelled from power through the massive anti-dictatorship struggle of the people.

This clearly shows that the fascist dictators who make a mockery of the fate of their peoples in collusion with the outside forces are bound to meet a miserable end. The South Korean people who have been forced to live the tragic life of a ruined nation, deprived of democratic freedom and rights under the colonial fascist rule over the past 40 odd years, will not live indefinitely under the oppression by such pro-American dictators as the traitor Chon Tu-hwan.

Experience tells that if the masses of people resist the fascist dictatorship with their united strength, they will surely be able to destroy any bulwark of fascism. The Chon Tu-hwan puppet clique must put an end to the fascist suppressive rule and step down from "power" as demanded by the South Korean people, looking straight at the powerful trends of the present era not allowing the fascist dictatorship, stressed the reporter. She declared that the United States must quit South Korea at once, taking along its aggression forces and nuclear weapons.

Attending the meeting together with working people and students in the city were Chong Chun-ki, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, and others.

NODONG SINMUN, MINJU CHOSON and PYONGYANG SINMUN March 1 dedicate editorials to this anniversary.

MEDIA REACTION TO PHILIPPINE SITUATION DESCRIBED

2 March Report

SK020830 [Editorial Report] South Korean vernacular and English-language newspapers for 2 March continue to cover developments in the Philippines. As was the case on 1 March, there is a noticeable decline in the number of items carried and space devoted to Philippines coverage. As no newspapers are published on Sundays in the ROK, only morning vernacular papers, published the previous day, were available for scanning and inclusion in this report.

CHOSON ILBO carries these news articles related to the Philippine situation and a commentary on page 4, and a column by Hong Sa-chung, a member of the daily's editorial staff, on the role of the people in bringing about changes in the Philippines on page 5.

Correspondent Choe Pyong-kwon's report from Manila on page 4 mentions the shelving of a decision to set free three leaders of the Communist Party of the Philippines by the new government led by Corazon Aquino. Another short report, with an AP Honolulu dateline, quotes Marcos as saying in an interview that he had decided to leave the Philippines to prevent further bloodshed. The third report on page 4 says that Marcos had visited his hometown by helicopter before leaving for Hawaii, that the U.S. CBS television network has unearthed a document among Ver's personal effects that can prove Philippine misappropriation of U.S. aid, and that hard currency and properties brought into Hawaii by Marcos are being held by the U.S. Customs Office for the time being.

In a 1,200-word column on page 5 bearing the headline "The Two Faces of the People", written by Hong Sa-chung, a member of the paper's editorial staff, the role of the people in toppling the Marcos government in the Philippines is noted, and a note of caution is raised against a possible hasty conclusion that the same thing could happen in our country.

HANGUK ILBO devotes nearly half of page 4 to articles related to the situation in the Philippines. A 1,500-word correspondent's article on page 4 notes some changes in U.S. foreign policy toward the Philippines and describes how U.S. officials maintained a cautious approach to the Philippine situation until a critical moment, saying that the United States will not be able to use a strong-arm policy approach toward the Philippine in the future and will have to seek solutions to the issues concerning the military bases in the Philippines on a partnership basis.

SEOUL SINMUN carries only three brief foreign news reports, including items on Aquino's decision to delay the release of Communist Party leaders, the Aquino government's mulling over of a declaration of a revolutionary government in the Philippines, and an alleged plot by pro-Marcos generals to attack military bases in the southern Philippines.

The two English-language papers published in Seoul -- THE KOREA HERALD and THE KOREA TIMES -- continue to carry, in their sections devoted to international news, foreign press agency-attributed reports on developments in the Philippines. Stories covered include Marcos' remarks to the press at Hickam Air Force Base in Hawaii, a conversation between Marcos and General Ver prior to their departure from the Philippines on use of armed force against crowds and military defectors, discovery of papers among Ver's effects pointing to a possible diversion of U.S. aid funds, reports that pro-Marcos generals are regrouping in the southern Philippines to attack military installations, and other developments.

3 March Report

SK031136 [Editorial Report] South Korean vernacular evening papers for 3 March, in their continuing coverage of developments in the Philippines, continue coverage of developments in the Philippines, continue the trend of carrying fewer items, with coverage focused on foreign press agency attributed items. Only evening vernacular papers were available for inclusion in this report. Because of the fact that no newspapers are published on Sundays in the ROK, there are no morning vernacular papers or English-language papers on Mondays.

The government-backed KYONGHYANG SINMUN carries on page 4 several news reports attributed to AP, AFP, and UPI, focusing on challenges to the new Aquino government in the Philippines. A 200-word report entitled "The Philippine Communist Party Declares Continuous Armed Struggle," refers to remarks of the Communist Party leader that the leftist guerrillas will not abandon the antigovernment struggle, although he "welcomes" the new government led by Corazon Aquino.

Also on page 4, the military reshuffle in the Philippines, including the retirement of 22 generals, is reported, as are news items on "fierce attacks" by some sectors of society in the Philippines against the Aquino-led government with regard to the issue of reshuffling local government officials and the issue of establishment of an autonomous Islamic government and the policy of protecting human rights announced by Aquino in a press conference.

The independent TONG-A ILBO carries reports on the Philippines situation on page 4 of the paper. A report, entitled "Aquino Proclaims the Policy of Protecting Human Rights" filed by Manila correspondent Kim Chong-so, deals with a mass rally held on 2 March with the attendance of President Aquino. It notes that President Aquino announced in the rally that the habeas corpus system, which was abolished by Marcos, will be restored; that freedoms of the press and assembly will be thoroughly guaranteed; and that special organizations to try those who committed crimes against the people under Marcos' rule will be established. The paper also carries a report filed by YONHAP from Los Angeles dealing with a press interview with Defense Minister Enrile given to the LOS ANGELES TIMES. In the press interview, Enrile said he rose in a rebellion against Marcos because his son and daughter tearfully criticized Marcos. The newspaper carries the fourth installment of a serial article, entitled "The Future of the Democratic Philippines," by Manila correspondent Kim Chong-so, dealing with the reorganization of parties now underway in the Philippines.

The independent CHUNGANG ILBO also carries its reportage on the Philippines on page 4. A report, entitled "Strong Resistance by Old Forces Against Aquino's New Government," filed by Manila correspondent Pak Pyong-sok, deals with resistance to the new government by some pro-Marcos figures. Included are remarks on the refusal to resign by judges, mayors, and officials of COMELEC; the formation of forces in the southern Philippines by pro-Marcos generals and colonels fired by President Aquino, the intention of these forces being to attack military establishments; the new government's firing of 12 regional commanders and its search for pro-Marcos generals who are trying to reorganize forces; and the announcement of the leader of the Communist Party of the Philippines on welcoming the new government and, at the same time, its continuation of armed struggles against the government.

The paper also carries an article filed by Washington correspondent Chang Tu-song quoting reports by THE NEW YORK TIMES on U.S. military support for the rebel forces by the supplying of fuel and ammunition for seven helicopters that surrendered to the rebel forces.

The paper carries a report filed by Manila correspondent Pak Pyong-sok dealing with the restoration of the habeas corpus system and the planned meeting of national assemblymen of the KBL party in order to nullify the National Assembly's decision announcing Marcos as the winner in the presidential elections.

The newspaper carries the fourth installment of a serial article, entitled "Corazon's Philippines," dealing with difficulties facing President Aquino in achieving national reconciliation and eliminating pro-Marcos figures and cronies.

CHON 'DETERMINED' TO TRANSFER POWER PEACEFULLY

SK030858 Seoul YONHAP in English 0840 GMT 3 Mar 86

[Text] Seoul, March 3 (YONHAP) -- Korean President Chon Tu-hwan Monday said he is determined to carry out the first peaceful transfer of governmental power in Korean history. 'At this time, the most essential task in our country is to establish a tradition of peaceful transfer of governments in 1988 and to establish democracy,' he said.

Chon made the remarks at a luncheon with 200 government, legislative, judicial and party officials commemorating the fifth anniversary of his inauguration.

'We should achieve the advancement of the fatherland and peaceful national unification within our generation, without wasting national power through internal struggle,' Chon said. He asked the leaders, who come from all walks of life, to help bring about the peaceful transfer of power.

A few opposition leaders, including Cho Yon-ha, vice speaker of the National Assembly, and Kim Tong-yong, floor leader of the opposition New Korea Democratic Party, also attended the luncheon.

CHON'S PROPOSAL TO AMEND CONSTITUTIONAL ASSESSED

SK020016 Seoul THE KOREA TIMES in English 2 Mar 86pp 1,4

[By political editor Kim Myong-sik in the "News in Review" feature]

[Text] Brisk debates have begun about "After 1988," following President Chon's proposal for constitutional amendment to change the form of governance, early last week. The presidential offer, which was more of a commitment than a simple indication of possibility, drew wider-ranging speculation in both political camps as to its true meaning.

As it was contained in a free-wheeling three-hour conversation over luncheon with the leaders of three political parties, the guests seemed to have failed to grasp its grave significance instantly.

When newspapers splashed the revelation of a strong government intention to change the basic law in 1989, based on a background briefing by a senior administration official, political circles were visibly stirred. They directed particular attention to the President's mentioning of three possible forms of government that could be introduced by such amendment.

Among them was the so-called "double-executive system," to which oppositionists have particularly been sensitive since it was first introduced into the Korean political lexicon in 1980. "They are setting up a smokescreen with this strange idea and I have my own speculation," said Yi Min-u, president of the New Korea Democratic Party, who was one of the guests at the Monday luncheon.

Kim Yong-sam commented that there could be a "hidden scheme," as the government is now going to establish a committee of its own to draft an amendment bill in addition to the one expected to be proposed in the National Assembly.

NDP floor leader Kim Dong-yong recalled that a special body established in the administration after the 1979 presidential assassination studied the dual executive system, which gives authority in foreign and military affairs to the president and other powers to the prime minister.

On the other hand, the ruling Democratic Justice Party too had a brief spell of confusion, as newspapers which reflected the opinion of presidential aides defined the character of the government to be formed in 1988 as "provisional."

Rep. No Tae-u, chairman of the DJP, who is widely believed to be the most likely candidate for the presidential election in 1988, wanted to set the record straight. "The government which will set sail in 1988 through the legitimate procedures provided by the current Constitution cannot be a provisional, caretaker one," he said. It was learned that the administration officials who had provided journalists with the definition of the 1988 government stepped back and "reached an agreement" with party leaders concerning the delicate matter.

As for the DJP, whose parliamentary activities so far could be epitomized as efforts to justify the present Constitution, the administration's offer of its eventual amendment was something hard to swallow, though it was a great gesture to achieve political peace. The ruling camp, throughout the week, was known to have had a series of discussions within its own ranks. There must have been sufficient understanding about things after 1988, as the DJP decided to declare the amendment in 1989 as the official party line in a forthcoming Central Committee meeting.

The opposition NDP, meanwhile, responded to the President's offer with its original demand for constitutional change before 1988 and the formation of the next government under a new charter. The logic for the rejection was that the President cannot possibly vouch for something that is to happen after he has stepped down. Many DJP officials, however, saw this negative stance of the NDP as a strategem for future negotiations.

Certainly, the presidential initiative, which began with his call for "grand politics" earlier this year, brought the NDP to the juncture of two alternatives, dialogue and confrontation. It picked the former by agreeing to holding a special National Assembly session to discuss all political issues, but did not yet make it clear whether it would shun the other of the two options.

Party Stands Discussed

SK020024 Seoul THE KOREA HERALD in English 2 Mar 86 p 4

[Editorial: "1989 Constitutional Revision"]

[Text] It is good to see the rival parties moving toward opening a National Assembly session in the middle of this month. Given the great number of issues awaiting parliamentary action, the house convocation is the natural duty of the Assemblymen.

The move comes following President Chon Tu-hwan's talks last Monday with the leaders of the three political parties. At the meeting, he offered a formula of compromise between the ruling camp's stance and the opposition's demand regarding constitutional revision: He expressed the ruling camp's readiness to amend, and not just debate the possibility of amendment of, the basic law in 1989 as well as their willingness to establish committee, within parliament and under presidential control, to deal with matters concerning the Constitution.

The ruling camp seems to have offered all it can in a bid to reach a breakthrough in the political deadlock caused by the New Korea Democratic Party's intransigence in pushing for a signature-collection campaign outside of the Assembly, an act unauthorized under the nation's Constitution. The opposition party has no possible justification for continuing the sign-in drive.

Despite these conciliatory overtures, the NKDP has regrettably come to reject the idea of amending the basic law in 1989 and has instead renewed its plans to go ahead with the signature-collection campaign. One is led to doubt the true intention of the oppositionists in adamantly sticking to the sign-in campaign. Are they genuinely interested in working for the good of the nation, or simply pursuing their own partisan interests? The next few years are too crucial to the nation to allow our national energies to be wasted on unproductive and impractical polemics. Whatever rationale the sign-in promoters may produce, the nation must first realize a peaceful transfer of power in 1988. It is primarily the failure to achieve such a transfer in the past that has stood in the way of the very "democratization" for which the oppositionists say they must undertake the sign-in campaign.

The campaigners demand that the Constitution be revised before early next year at the latest, so that presidential elections can be held in the later part of that year. One must question the wisdom in scrapping the present basic law even before having tested in once. "Absurd" is the word which adequately describes such a demand.

The ruling Democratic Justice Party is reportedly planning to reaffirm its pledge, through official channels, to seek constitutional amendment in 1989. This will hopefully lead to discouraging absurd contention. The opposition party should refrain from using their attendance in the assembly as a means of obtaining bargaining chips for advancing its drive for constitutional change.

It must again be brought to the attention of sign-in promoters that an amendment of the basic law can only be initiated by a majority of the Assembly or by the Chief Executive.

Technically speaking, the opposition party has no choice but to do better in the next elections if it wants to initiate a constitutional change. Even so, the ruling party has committed itself to the amendment. Now is the time for all of us to abandon unproductive polemics and address ourselves to greater national causes. The spirit of "grand politics" must become more pervasive.

NKDP Rejects Plan

SK030322 Seoul TONG-A ILBO in Korean 28 Feb 86 p 2

[Article from the "Tidbits" column]

[Text] Holding different views concerning approval or disapproval of the plan for constitutional revision in 1989 set forth in the talks at Chongwadae, the New Korea democratic Party [NKDP] on 28 February officially declared in a resolution adopted at an expanded meeting of party executive committee members that it would not accept this plan.

Explaining the background of adopting such a resolution, party spokesman Hong Sa-tok stated on the afternoon of the same day: Our party has adopted such a resolution because it appears that the DJP has some lingering desire, despite our party having made it clear on several occasions after the talks that it rejects such a proposal.

Refuting speculation that such a rejection might be the result of tactical considerations within and outside the party, party floor leader Kim Tong-yong said emphatically: We cannot accept any proposal on the timing of constitutional revision unless it is set before 1988. Pak Chan-chong, chairman of the Human Rights Protection Committee, said: Fearing that our party might be tempted to accept the proposal, compatriots in the United States and Japan, as well as figures in the broad strata of social circles have made warning telephone calls to the party.

Referring to the fact that the resolution was adopted as a result of secret contacts between party advisor Kim Yong-sam and party President Yi Min-u after the talks at Chongwadae, people around the party stated: The party adopted the resolution rejecting the proposal in an preemptive manner, deeply conscious of the complicated and delicate dynamics within the party, such as relations of cooperation between the two Kims. This may be a process of adjusting views in a dialectical manner.

THE KOREA HERALD ASSESSES CHON'S PRESIDENCY

SK040134 Seoul THE KOREA HERALD in English 4 Mar 86 p 4

["5 Years of Chon Presidency"]

[Text] Sustained stability and growth in all aspects of Korea's nationbuilding endeavor characterized the five years of the Fifth Republic under President Chon Tu-hwan. This half a decade will go down in the annals of our modernization as a period of a laying the groundwork for an earnest political and economic takeoff.

Since he assumed the presidency of this Republic five years ago, the Chief Executive has distinguished himself by introducing a large scope of liberalization and by working to insure a just and equitable welfare society.

He has often proclaimed his firm resolve to set an honorable precedent for a constitutional transfer of power by pledging to step down at the end of this seven-year term of office in two years' time. Along with the substantial economic advances being made now, the peaceful change of government will be a great milestone in his devotion to lifting up this country to the ranks of the advanced nations of the world.

At the time President Chon came to power, the nation's economy was faltering, suffering from prolonged instability and recession, brought on by major political unrest the previous year. Prices of commodities skyrocketed by 44 percent annually with the annual growth rate recording 6.2 percent in the minus. The nation's current account at the time stood at \$5 billion in the red.

His administration infused fresh dynamism into the ailing economy in the face of increasingly unfavorable external conditions. These past five years have seen runaway inflation arrested to 2-3 percent a year, while our average annual growth rate soared to 7-8 percent. By the end of last year the account deficit had been reduced to less than \$880 million, bidding fair for a balanced ledger this year.

In the political and social spheres, President Chon is credited with a series of bold steps taken toward greater liberalization, political participation and dialogue among contending parties. The decades-old curfew was lifted, the somber school uniforms abolished, campus autonomy restored, and all blacklisted former politicians were rehabilitated to full political activity. Overseas travel and some previously restricted economic and cultural activities were largely liberalized.

The advisory Council on State Affairs was created to pool the wisdom of elder leaders representing a cross section of society. Most impressive has been the open-minded meetings the President occasionally initiated with opposition political leaders, whenever the exigencies of the day demanded such high-level talks.

As he once remarked, his frequent and unreserved mixing with citizens from all walks of life for a frank exchange of views was motivated not by interest in popularity but by a genuine concern for the needs and desires of the people he serves.

The international stature of this nation has continuously shot up under the vigorous and far-reaching diplomacy of President Chon. In the short span of five years he traveled twice to Washington and once to Tokyo to cement the traditional ties of friendship with these two major partners. The scope of his personal diplomacy extended farther into Africa and Southeast Asia, and will soon reach Europe.

The honor awarded the nation in the selection of Seoul as host for the Asian Games and the Olympics symbolizes the height of international recognition of the strength and maturity of Korea bolstered under the leadership of President Chon. The entire nation should rally behind his leadership to carry out the two important international events successfully.

We in the nation and all our well-meaning friends abroad share the hope that Korea will meet these historical challenges and opportunities with flying colors. The country must continue to grow strong, secure and prosperous through the remaining years of the Chon administration.

BATMONH MEETS WITH GORBACHEV AT MOSCOW CONGRESS

OW031848 Ulaanbaatar MONTSAME in English 1724 GMT 3 Mar 86

[Text] Ulaanbaatar, March 3 (MONTSAME) -- MONTSAME commentator writes: A meeting was held in Moscow between M.S. Gorbachev, CPSU CC general secretary, and J. Batmonh, MPRP CC general secretary, chairman of the Presidium of the MPR Great People's Hural, who is taking part in the 27th CPSU Congress.

The meeting revealed once again the unity of views and estimations of the two sides as regards the world situation and the ways of its radical improvement. Jambyn Batmonh highly assessed the international significance of the work of the 27th Congress of the Communist Party of the Soviet Union and the new edition of the CPSU programme. He voiced full support for the large-scale and constructive concept on ensuring peace, social progress and freedom of peoples, advanced by the highest forum of Soviet Communists. In this connection, special significance is attached in the Mongolian People's Republic to the resolve voiced by the two sides at the meeting in Moscow to further deepen their cooperation in the struggle for peace in the Asia-Pacific region as well as throughout the world. The efficiency of such a cooperation between the MPR and the USSR in foreign political sphere is promoted by the Soviet idea of a comprehensive approach to the Asian security problems and also the MPR proposal to sign a convention on mutual non-aggression and non-use of force in relations among the states of Asia and the Pacific, the commentary says.

MOLOMJAMTS MARKS 65TH MPRP FOUNDING ANNIVERSARY

OW040729 Ulaanbaatar MONTSAME in English 1729 GMT 3 Mar 86

[Text] Ulaanbaatar, March 3 (MONTSAME) -- The founding of the Mongolian People's Revolutionary Party was the historic outcome of the revolutionary struggle of the Mongolian people inspired by the ideas of the Great October Socialist Revolution. The Mongolian People's Revolutionary Party founded by the outstanding revolutionary Damdiny Sukhe Bator and his comrades-in-arms, enjoys today full confidence and respect of the people and has become its political leader, guiding and directing force of our society, writes D. Molomjams, MPRP CC Secretary and Politbureau member, in an article devoted to the 65th anniversary of the Mongolian People's Revolutionary Party marked on March 1, 1986. Our party, he notes, leaning upon the advice and direct assistance of the world communist movement, above all the Leninist party of the Soviet Union, led the people along the road of non-capitalist development, carried out three programmes at different stages of the revolutionary struggle and socialist construction. The establishment and strengthening of the class alliance of Mongolian arats (herdsmen) with workers and peasants of Soviet Russia has determined the success of all our accomplishments and achievements. D. Molomjams notes the successful advancement of the Mongolian People's Republic towards the goal of becoming an industrial-agrarian country. Since 1960, the production of aggregate social product of the country has increased four times, the national income -- three times. Today the country's industry turns out 46 percent of Mongolia's aggregate social product.

Economic development is the pivot of the MPRP policy. The last MPRP CC plenary meetings have set forth new tasks on accelerating the country's development, increasing its economic potential, the efficiency and quality of social production and raising, on this basis, the material well-being and cultural level of the Mongolian people. The party sees one of the most important conditions of intensifying the country's economy in the improvement of economic management, planning and the entire economic mechanism, in raising the role of human factor. Our party aims its policy at radically improving concern for working people and at actively involving them in the process of solving state and public affairs, D. Molomjams notes.

PHNOM PENH REPORTS MEN SAM-AN TASS INTERVIEW

BK031439 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Mar 86

[Text] During the visit by the high-ranking delegation of the KPRP led by Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State, to attend the 27th CPSU Congress, Comrade Men Sam-An, member of the party Central Committee Political Bureau, granted an interview to TASS on 23 February 1986.

In the interview, Comrade Men Sam-An recalled the all-round victories scored by the Cambodian revolution during the past 7 years in national defense and construction. Comrade Men Sam-An stressed that the victories scored by our Armed Forces during the 1984-85 dry season, in close cooperation with the Vietnamese Volunteer Army, have dealt heavy blows to the three groups of Cambodian reactionaries who lost all their bases along the Cambodian-Thai border. Comrade Men Sam-An also stressed that due to the successes scored during the past 7 years, the KPRP has set three major goals which should be achieved at all costs. These are: Continue to provoke division among the enemies and defeat all their maneuvers; build real revolutionary forces in every aspect; and strengthen the revolutionary alliance, special relations, and cooperation among the three Indochinese countries -- Cambodia, Vietnam, and Laos -- and strengthen the proletarian international bonds of solidarity with fraternal socialist countries with the Soviet Union as the main pillar.

Answering a question on the PRK's prestige in the international arena, Comrade Men Sam-An pointed out the just struggle of the Cambodian people for the PRK's legitimate right in the United Nations and in other international forums. She expressed most sincere thanks to the Soviet Union, all fraternal socialist countries, and all progressive people the world over for their full support for the Cambodian people's just cause. On behalf of the KPRP and the Cambodian Government and people, Comrade Men Sam-An expressed profound gratitude to the CPSU and the Soviet Government and people for their timely assistance and support, both moral and material, to the Cambodian people.

Comrade Men Sam-An highly appreciated the new CPSU program, which will be adopted by the party's 27th congress, by pointing out that the CPSU program has set historic tasks for the Soviet workers in their vanguard role to open up the way to communism. The comrade further stressed that this program shows the Soviet workers' resolute determination in the struggle for the cause of peace and social progress and fully responds to their realistic aspirations. Based on the material and technical bases, which the Soviet Union possess, and based on the immense capability of socialism, the Soviet people will certainly achieve their precious goals.

On 26 February a meeting was held in honor of the KPRP high-ranking delegation at the academy of social sciences in Moscow. It went on in a fraternal and cordial atmosphere.

BOU THANG GREETES GDR DEFENSE MINISTER ON ARMY DAY

BK020850 Phnom Penh Domestic Service in Cambodian 1200 GMT 1 Mar 86

[Text] On the 30th founding anniversary of the fraternal GDR's national army, Comrade Bou Thang, PRK defense minister, sent a message to Comrade General Heinz Kessler, GDR national defense minister. The message, among other things, said:

Dear Comrade Minister: On behalf of combatants and cadres of the entire KPRAF and in my own name, I would like to express warm and most sincere congratulations on the 30th founding anniversary of the fraternal GDR People's Army. Since its founding on 1 March 1956, under the correct and clear-sighted leadership of the SED, the GDR People's Army has greatly developed both in quantity and quality. It is equipped with modern weaponry and worthy of being a sharp and loyal tool serving the masses and workers in the GDR.

During the shortest period of building and strengthening its forces in history, this army has scored innumerable and brilliant exploits in its noble task in cooperation with the armies of fraternal Warsaw Pact countries with the Soviet Union as a solid bastion. It has effectively safeguarded the western border of the socialist community and timely checked every provocative action of international imperialism. On the same occasion, we would like to express most profound gratitude to the party, government, and people of the GDR for their wholehearted assistance to the Cambodian revolution, particularly to strengthening and expanding our KPRAF.

We wish the comrade minister and every cadre and combatant of the fraternal GDR People's Army good health and success in every task. Please receive our high considerations.

VODK PRAISES DK ATTACKS IN, AROUND PHNOM PENH

BK020728 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 Mar 86

[Station commentary: "The Areas Around the Inside Phnom Penh Have Become Hot Battlefields"]

[Text] In this dry season, while our national army and guerrillas throughout the country have intensified their attacks against the Vietnamese enemy aggressors and race exterminators on all battlefields, our troops on the battlefields have also increased their activities against the aggressors in the areas in and around Phnom Penh.

From 15 January to 7 February, our national army launched 107-mm rockets over the Russei market, the areas near Olympic market, and Kilo Lek Prammuoy factories, killing many Vietnamese enemies and destroying many ammunition and fuel depots and various materials. On 15 February, our special detachment, with the participation of Cambodian soldiers, attacked Pochentong International Airport. Our troops killed or wounded 60 Vietnamese enemy soldiers, destroyed 2 aircraft gasoline depots containing hundreds of thousands of liters of fuel, which burned all night. Vietnamese enemy soldiers at Pochentong and in Phnom Penh seriously panicked. On the night of 21 February, our National Army attacked Prek Phnou township, which is the seat of Ponhea Loe District, 6 km from Kilo Lek Prammuoy. Our troops killed or wounded 29 Vietnamese enemy soldiers and destroyed 8 motorboats, 3 trucks, 1 diesel oil depot with 50,000 liters capacity, 1 petrol depot with 5,000 liters capacity, and many weapons. Therefore, in this dry season, our national army has transformed the areas around and in Phnom Penh into hot battlefields. The Vietnamese enemy aggressors have panicked and are worried about this situation.

Over the past several years, the Vietnamese enemy aggressors have made every effort in their attempt to sweep our forces from the regions around Phnom Penh to maintain a calm situation there to make it easy for them to stage their tricky maneuvers on the situation in Cambodia.

However, the Vietnamese enemy aggressors have not been able to do anything against us and they could not maintain security in these regions. The sounds of the gunfire of our national army have exploded more violently and have spread over all areas around Phnom Penh, from the regions southwest, northwest, and north of Phnom Penh to the areas east of Phnom Penh.

The fact that our National Army has intensified more vigorous attacks against the Vietnamese enemy aggressors in the areas in and around Phnom Penh is good for our struggle against the Vietnamese enemy aggressors and race exterminators. First, these attacks are strong encouragements to Cambodian armies, guerrillas, and all Cambodians inside and outside the country. They have made our combatants and people more courageous, and our people are united in their struggle against the Vietnamese enemy aggressors.

Second, these attacks are strong encouragements to the fraternal Cambodian soldiers, militiamen, and administrative employees who have been forced by the Vietnamese enemy aggressors to serve them. These attacks have made these compatriots see and have confidence in our forces. This has pushed these Cambodian soldiers, militiamen, and administrative employees to dare to rise and struggle against the Vietnamese enemy aggressors and desert and return home. When our National Army launched its attacks against the positions of the Vietnamese enemy or against various townships on the battlefields around Phnom Penh, many Cambodian soldiers cooperated with our troops against the aggressors.

Third, these attacks have destroyed the tricky propaganda of the Le Duan Vietnamese enemy aggressors, who have said that they completely control Cambodia and that the situation in Cambodia is irreversible. Due to our army's attack against the Vietnamese enemy aggressors on the battlefields around Phnom Penh and in the interior of the country -- such as on the battlefields around Battambang town -- we have forced the aggressors to send to and keep tens of thousands of their soldiers in these regions, and so far they have not been able to launch a big dry-season offensive in the border regions as they had planned. Thus, the attacks by our national army in the areas around and in Phnom Penh have strongly helped our struggle against the Vietnamese enemy aggressors and race exterminators.

Our Cambodian people throughout the country hope that our national army and guerrillas on the battlefields around Phnom Penh and our combatants all over the country enjoy the best of health and win many new and great victories in their struggle against the Vietnamese enemy aggressors and race exterminators until we achieve our final victory when our nation, territory, and people are completely liberated.

LPRP GREETES MPRP ON 65TH FOUNDING ANNIVERSARY

BK021434 Vientiane Domestic Service in Lao 0500 GMT 1 Mar 86

[28 February greetings message from LPRP Central Committee to MPRP Central Committee]

[Text] On the occasion of the 65th founding anniversary of the MPRP, on behalf of all party members, the working class, and people of Laos, the LPRP Central Committee is pleased to convey warm salutations and greetings and best wishes to the MPRP Central Committee, and through you, comrades, to all fraternal party members, the working class, and people of Mongolia.

Over the past 65 years, the noble and glorious MPRP has promoted and expanded the national tradition of heroic struggle, applied Marxism-Leninism to the practical conditions of the country, and led the Mongolian people to overcome various difficulties and trials and then firmly march forward along the path of socialism. With the support, assistance, and cooperation in all respects from the Soviet Union and other fraternal socialist countries, the Mongolian people have scored great achievements in the cause of building socialism and defending their beloved fatherland. The glorious successes and great victories you have achieved, comrades, in building socialism have significantly contributed to the enhancement of the strength of the socialist community.

We highly appreciate the contributions made by the MPR to the struggle for world peace and security in opposition to the imperialist bellicose policy and nuclear arms race. We fully support the MPR's peace initiatives which are aimed at reaching a treaty of nonaggression and nonuse of forces in the relations among the countries in Asia and Pacific.

On this occasion, we wish you, comrades, great successes in implementing the resolutions of the 18th party congress and the Seventh 5-Year Plan to welcome the forthcoming 19th MPRP Congress.

May the militant solidarity, the relations of fraternal friendship, and all-round cooperation between our two parties and two peoples be further strengthened and fruitfully developed with each passing day!

KHAMTAI SIPHANDON GREETES GDR DEFENSE MINISTER

BK021515 Vientiane Domestic Service in Lao 0430 GMT 1 Mar 86

[1 March greetings message from LPDR National Defense Minister General Khamtai Siphandon to GDR National Defense Minister General Heinz Kessler]

[Text] Respected comrade minister:

On the occasion of the 30th anniversary of the GDR National People's Army, on behalf of the cadres and combatants in the entire LPA and in my own name, I would like to extend warmest salutations and greetings to you, comrade, and through you, I convey the militant solidarity to all fraternal cadres and combatants in the entire GDR National People's Army.

Over the past 30 years, under the clear-sighted leadership of the Socialist Unity Party of Germany (SED), with the all-round close alliance with the Soviet Union and other fraternal countries in the socialist community, the GDR National People's Army has been increasingly developed and strengthened.

It has now become a well-organized and modern revolutionary army standing shoulder to shoulder with the armies of other Warsaw Pact member countries. Together with the people, it has always heightened vigilance and resolutely checked all acts of sabotage and subversion of the imperialists and other reactionaries, fulfilled the cause of defending, building, and prospering the GDR, and securely defended a forefront of socialism in East Europe, thus positively contributing to the cause of safeguarding peace and tranquillity in Europe and the world.

On this joyous atmosphere, the LPA and the Lao people wholeheartedly salute and greet the said achievements and victories scored by the GDR army and people and with the GDR National People's Army, under the leadership of the SED with Comrade Erich Honecker as general secretary, new and still greater victories and successes in carrying out its heavy and noble cause.

May the relations of fraternal friendship, militant solidarity, and close cooperation between the two peoples and two armies of Lao and the GDR be daily developed and strengthened! We wish you, Comrade Minister, good health and new, ever greater successes in your noble, responsible tasks.

With high respect,

[Signed] Gen Khamtai Siphandon, national defense minister of the LPDR

[Dated] Vientiane, 1 March 1986

PASASON MARKS ANNIVERSARY OF INDOCHINESE SUMMIT

BK261147 Vientiane Domestic Service in Lao 1400 GMT 22 Feb 86

[PASASON "memoir": "Three Years of Great Success Under the Beacon of the Summit Conference of the Three Indochinese Countries -- date not given]

[Text] An historic event for the three Indochinese peoples was the summit conference of the three Indochinese countries, which was held in Vientiane, capital of the LPDR, on 22-23 February 1983. In the resolutions as well as in its statement, the summit conference made a clarification on the presence of the Vietnamese Volunteer Army in Cambodia. All other significant decisions made at the conference were also in conformity with the profound aspirations of the three peoples. They have become a great strength for the development of the all-round militant solidarity among the three Indochinese nations. Over the past 3 years, the three Indochinese countries have been developed and strengthened in all respects, standing firmly as the outpost of socialism in Southeast Asia.

The peoples of the three Indochinese countries have scored outstanding achievements in the field of special relations and cooperation. Their cooperation has developed in a highly effective manner. The strength of the Indochinese revolution has been firmly enhanced with each passing day.

For the PRK, the victories achieved in the 1984-85 dry season by the Kampuchean people's Revolutionary Armed Forces, which fought shoulder to shoulder with the Vietnamese Volunteer Army in destroying nests of the Cambodian reactionaries along the Cambodian-Thai border, have proved the invincible strength of the entire people in defending the country. The PRK has also scored practical achievements in the economic, cultural, social, public health, and communications and transport fields. These achievements have met the requirements for the daily life of the people.

The PRK-SRV meeting and signing of an agreement on the withdrawal of the Vietnamese Volunteer Army from the PRK by the end of 1990 have proved the strength of the Cambodian revolution, which cannot be reversed by any enemy. The glorious success of the fifth congress of the KPRP relected the growth and strength of the party and the survival of the revolutionary administrations, ranging from the central down to the local levels.

Last year, the Lao people also commemorated the 30th anniversary of the LPRP and celebrated the 10th anniversary of the establishment of the LPDR. The two events have proved the great strength and victories of our Lao people. Industrial and agricultural production have been developed while the people's living conditions have improved daily. As a result, the role of the LPDR has been raised in the international arena. On the glorious occasion of the 10th anniversary of national day, Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee, praised and hailed the achievements scored by the Lao people in the first decade of socialist construction.

The Vietnamese people have also scored many achievements in implementing the plan for 1985. They have recorded increased production in agriculture. Exports have also increased and new developments have been achieved in consolidating production as well as in the scientific and technical, educational, public health, cultural, and social fields, and in sports and gymnastics.

The aforesaid achievements of the three Indochinese peoples have once again clearly proved the solidarity, all-round cooperation, and militant alliance among Laos, Vietnam, and Cambodia, which serve as the invincible strength of the Indochinese revolutions. This strength is the result of the assistance of the Soviet Union and other fraternal socialist countries. This special solidarity and all-round cooperation do not pose any threat or signal any opposition to any country. They have even contributed to the cause of peace and stability in Southeast Asia and the world. This was clearly noted in the consistent stand of the three Indochinese countries in their statement issued following their first summit conference. It was also publicized clearly in the communique of the three Indochinese foreign ministers in their 12th conference which was held in Vientiane on 23-24 January 1986.

The Lao people, under the clear-sighted leadership of the LPRP, pledge to make every effort, along with the fraternal Vietnamese and Cambodian peoples, to continue to realize the contents of the statement of the Indochinese summit conference in the cause of defending and building the country to worthily contribute to safeguarding peace in Southeast Asia and the world.

PREM, VANUATU PRIME MINISTER REACH ACCORDS

BK031515 Bangkok Domestic Service in Thai 1300 GMT 3 Mar 86

[Text] The Prime Minister's Office spokesman, Trairong Suwannakhiri, reported at 1530 that at 1130 today Prime Minister of Vanuatu Father Walter Lini and his delegation, accompanied by Deputy Prime Minister and Foreign Minister Air Chief Marshal [ACM] Sitthi Sawetsila, paid a courtesy call on Prime Minister Gen Prem Tinsulanon at Government House. The Vanuatu prime minister is on an official visit to Thailand as the Thai Government's guest from 2 to 4 March. Also present at today's meeting were secretary to the prime minister Lt Gen Chantharakhup Sirisut and government spokesman Trairong Suwannakhiri.

The Thai prime minister welcomed the Vanuatu prime minister and his delegation. The two held official consultations and reached agreements on several issues, including the following:

1. The prime minister of Vanuatu asserted his country's support for ASEAN's and Thailand's stand calling for the withdrawal of Vietnamese troops from Cambodia. The government and people of Vanuatu, like Thailand, support the policy of respect for other countries' sovereignty and integrity, rejection of armed intervention in the internal affairs of other countries, and support for a peaceful settlement of international disputes through political and diplomatic negotiations. The Thai prime minister thanked the government and people of Vanuatu for their support for Thailand's and ASEAN's policy. He also expressed the hope that Vanuatu would continue to support Thailand at the coming UN General Assembly session on Cambodia, as this would help expand the scope of world support for ASEAN's stand on Cambodia.
2. The prime minister of Vanuatu expressed interest in receiving assistance from the Thai Government in areas such as agricultural knowhow, technology, and joint fishing cooperation. The Thai prime minister assured the Vanuatu prime minister that full cooperation and support would be forthcoming.
3. The prime minister of Vanuatu said his government wants to import rice from Thailand directly without going through a third country. The prime ministers of both countries agreed on this and will have concerned authorities of their respective countries coordinate with each other to work out the details.
4. The prime ministers of both countries share a common view that the current visit to Thailand by the government head of Vanuatu is significant and enhances the friendly relations between the two countries. It will also strengthen bilateral relations and cooperation in various fields, benefitting the people of both countries.

At 1200 today Prime Minister Gen Prem Tinsulanon hosted a luncheon at Government House in honor of Vanuatu Prime Minister Father Walter Lini and Mrs Mary Lini and their delegation. Attending the function at Government House on the Thai side were Deputy Prime Minister and Foreign Minister ACM Sitthi Sawetsila, Commerce Minister Police Captain Surat Osathanukhro, Industry Minister Chirayu Itsarangkun Na Ayutthaya, and secretary to the prime minister Lt Gen Chantharakhup Sirisut.

NHAN DAN ON IMPLEMENTING PARTY RESOLUTION

BK021610 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Feb 86

[1 March NHAN DAN editorial: "Satisfactorily Take Urgent Steps to Correctly Implement the Party Central Committee's Eighth Plenum Resolution"]

[Text] The resolutions of the fifth party Central Committee's sixth, seventh, and eighth plenums and Resolution No 28 of the Political Bureau are of profound revolutionary significance as they noted the advances of our party in economic leadership.

The essence of these resolutions call for a strategic shift toward discarding centralism, bureaucracy, and state subsidies, practicing economic accounting and socialist business, observing planning as a central task, and correctly applying various objective economic laws in the initial stage of our country's transition to socialism in order to gradually achieve mastery economically.

Implementing these party resolutions, many localities and establishments have undertaken the indexing of wages to prices and have made positive efforts to improve their activities organizationally and managerially in accordance with the system of economic accounting and socialist business. Many localities have made initial efforts to rearrange production and step up agricultural, industrial, artisan, and handicraft production while further renovating the mechanism of economic management.

Many good models have emerged in the fields of renovating economic thinking, conceptions, and working methods in order to attain high output, quality, and efficiency; in stimulating production; in promoting better circulation of goods in society; and in further improving the lives of salaried people.

Realities of life show that the resolutions of the party Central Committee's sixth, seventh, and eighth plenums and Resolution No 28 of the Political Bureau are correct as they have initially created enthusiasm and confidence among the entire party and people.

However, since the third quarter of last year following the hectic undertaking of three tasks at the same time -- the exchange of money first, followed by the across-the-board readjustment of prices and wages in a very hectic fashion -- the socioeconomic situation has developed in a very complex manner with prices abruptly skyrocketing, the market plunging into a mess, the socialist trade sector being driven into a passive and awkward position; and production, circulation, and the people's lives encountering more difficulties. The enemy, bad elements, speculators, and black-marketeers have taken advantage of the situation to sabotage us and create more troubles for us.

The current socioeconomic situation is serious in certain aspects. The Political Bureau, the party Central Committee Secretariat, and the Council of Ministers Standing Committee have profoundly reviewed their past activities and made stern criticism and self criticism. The responsibility for the above situation first of all rests with various party and state leadership organs at the central level. Various relevant sectors and localities are also supposed to share responsibility for this.

The main reasons for the bad consequences cited above lie in the poor guidance for implementation of the resolution of the party Central Committee's eighth plenum and Resolution No 28 of the Political Bureau; in the practice of subjectivism, hastiness, and simplistcness while making decisions and directing the implementation of various specific plans on prices, wages, and money; in the failure to include these plans in the general plan to balance the national economy; and in the failure to carry out these plans simultaneously with efforts to renovate the mechanism of economic management, step up the transformation of private industry and trade, intensify market management,

and broaden and improve the performance of the socialist trade sector through ideological indoctrination and the motivation of the masses. All echelons and sectors and every party cadre and member must scrupulously conduct criticism and self-criticism to accept responsibility for their shortcomings.

In order to develop initial successes, quickly overcome the current abnormal situation, continue to implement scrupulously the resolution of the party Central Committee's eighth plenum and Resolution No 28 of the Political Bureau, implement satisfactorily the 1986 State Plan, and make practical preparations for the coming 26th national Party Congress in the time to come, we must quickly take urgent, specific, and resolute but firm and effective steps to control the market and prices, stabilize the financial and monetary situation, stabilize the lives of the people, workers, civil servants, and military personnel, and normalize and develop satisfactorily all socioeconomic activities.

The most basic task remains the same -- calling for strenuous efforts to rearrange and step up production, especially the production of grain, food, and consumer goods along with renovating the mechanism of economic management, speeding up the transformation of socialism, and implementing satisfactorily the 1986 State Plan.

We must try every means possible to muster to the fullest all existing labor forces, equipment, and raw materials of various sectors, localities, and production and business establishments to serve agricultural, industrial, artisan, and handicraft production. We must broaden the decision-making right of various economic units in production and business, tackle problems concerning organization, systems, and policies; reorganize the materials supply, financial, and banking sectors; and make production more dynamic and marketable goods more abundant. Promoting increased production, revamping the socialist trade sector, expanding the circulation of goods, doing away with the portioning of the market, speeding up the transformation of private industry and trade, punishing speculators and black-marketeers, and intensifying market management constitute the most important and pressing tasks at present.

The socialist trade sector must adopt correct buying and selling methods, an appropriate pricing policy, and suitable measures in order to help the state exercise its unified control over and monopolize the trading of paddy and rice, strategic materials, and those goods essential to the people's livelihood. It is necessary to widely develop the socialist trade network, devise plans to strictly control export-import activities, and strive to quickly gain control over the market and influence prices on the social market, especially in key areas, for important goods.

It is now an urgent requirement for us to strive to stabilize prices, especially those for essential goods. We must adopt urgent steps to ensure the real wages for workers, civil servants, and military personnel. In general, we must exercise the one-price system in accordance with the spirit of the resolution of the party Central Committee's eighth plenum and Resolution No 28 of the Political Bureau. Those localities having favorable conditions concerning inventories and markets must continue to implement the one-price system. In those localities where the situation of supply and demands remain strained and where the market and prices continue to suffer from strong fluctuations, they will be temporarily allowed by the state to apply the two-price system in dealing with certain essential goods.

They may sell these essential goods in accordance with set quotas and at stabilized prices to workers, civil servants, and military personnel as well as to those people having economic contracts with the state; and they may grant costs in their respective localities.

On the basis of dividing the price management duties in accordance with the spirit of the resolution of the party Central Committee's eighth plenum, all sectors, localities, and production and business units must strictly enforce price-related discipline. Faced with the current situation, it is necessary to adopt specific and urgent policies and measures to proceed toward achieving a budgetary balance, stabilizing the country's financial transactions, and maintaining the value of our currency. We must devise measures to exploit to the fullest all existing sources of collection while striving to create more sources in order to increase the revenue for the central and local budgets.

We must adopt strict measures to reduce budgetary spending, must rearrange and streamline the management mechanism, and must reduce the administrative personnel staffing of various state organs from the central down to the local levels as well as of various party organs and mass organizations in order to transfer extraneous personnel to production, business, and other support service sectors.

We must basically revise the banking system organizationally and structurally, build a credit and banking service system, and create favorable conditions for various sectors, localities, and establishments to boost their production and business activities.

Along with resolving those urgent problems concerning prices, wages, and financial and monetary transactions, we must urgently prepare plans for ensuring the decision-making right of establishments in production and business in order to develop to the fullest the dynamism and creativity of establishments and laborers so they can yield more and more products with high output, quality, and efficiency. All these are regarded as an urgent and also basic measure.

In overcoming shortcomings and stabilizing the socioeconomic situation, we must rely on efforts to firmly grasp and implement the resolution of the party Central Committee's eight plenum and Resolution No 28 of the Political Bureau in accordance with steady steps and with a determination not to return to the system of bureaucratic and centralized economic management based on state subsidies when facing difficulties.

It is of decisive importance that our entire party be united and singleminded in strictly maintaining discipline concerning the implementation of party resolutions and directives and observance of the state law; and it must be determined to strike back at all sabotage tricks of the enemy and its distorting allegations, including the spreading of false rumors.

Our party's guidelines for the renovation of the economic management mechanism are clear and correct. The existing and latent potentials of our national economy are great. Having experienced many ordeals, our party has obtained more good experiences in economic leadership. Our cadres and people have also further matured. Although current difficulties are still numerous, we are basically enjoying many favorable conditions.

More than ever before, all basic party organizations must augment their revolutionary will, their persistent militant character, and their determination to overcome difficulties to initiate and lead a seething revolutionary movement among the masses to implement resolutely and correctly the resolution of the party Central Committee's eighth plenum and to normalize and develop satisfactorily all socioeconomic activities.

PRC'S ARMED BORDER INCURSIONS OUTLINED

OW031605 Hanoi VNA in English 1553 GMT 3 Mar 86

[Text] Hanoi VNA March 3 -- On February last, Chinese troops fired nearly 70,000 artillery and mortar shells and rockets on the northern border provinces of Ha Tuyen, Hoang Lien Son and Lai Chau.

Especially during Tet (Vietnamese lunar new year festival), Chinese artillery wantonly fired on Vi Xuyen District, Ha Tuyen Province. Nearly 200,000 big gun shells hit the small village of Thanh Thuy and nearby areas. In addition, the Chinese authorities sent many infantry companies and battalions to attack four hills in Vi Xuyen District. Hill 840 alone was three times subjected to land grabbing attacks.

On Feb. 14 a group of Chinese soldiers intruded into Pac Tat hamlet, Tong Quat village, Ha Quang District, Cao Bang Province, kidnapping three villagers, including a child. From Feb. 15-20 Chinese troops fired many mortar shells on hill 541 in M Wong Te District, Lai Chau Province, and trespassed hills 1295 and 1406 from 300 to 400 metres deep inside Vietnamese territory.

Particularly on Feb. 16 a Chinese spy plane overflew Xin Man District, Ha Tuyen Province.

The populations and border guards in the provinces of Ha Tuyen, Cao Bang, Lai Chau and Hoang Lien Son punished the Chinese intruders in time, killing and capturing a number of them and seizing a quantity of weapons and other war materials.

PRC 'Threats' Rejected

BK280741 Hanoi Domestic Service in Vietnamese 2330 GMT 27 Feb 86

[Station editor Vu Dinh Vinh's feature: "Heighten Vigilance for National Defense"]

[Text] Dear comrades and friends: We would like to present a few sketches of the northern border situation in February. At a time when we tried to demonstrate our goodwill by proposing a ceasefire on the occasion of the Tet festival and by handing over Chinese captives charged with illegally encroaching on Vietnamese territory, the Chinese side not only rejected this proposal but also hurled slanders and threats at our people. They also sent a so-called memorandum to the United Nations in an attempt to slanderously charge Vietnam with intensifying activities against China and advocating expansion in Indochina.

Still refusing to learn a lesson from the 17 February incident 7 years ago, they brazenly repeated the threat of launching a counterattack at an appropriate scale and time.

At the Sino-Vietnamese border, they still maintain military pressure on our country with the deployment of dozens of divisions of troops from many army corps of various military regions. Meanwhile, they also move large quantities of weapons and supplies to the front line and consolidate trenches, fortifications, and communication lines.

As our people along the border celebrated Tet, they fired thousands of artillery rounds into various areas of Vi Xuyen District, Ha Tuyen Province. Since 15 February they have committed various acts against our country, such as firing 4,000 mortar rounds into 13 areas in Vi Xuyen district and 100 M-12 rockets on hills 1855 and 1949 in Dong Van District of Ha Tuyen Province.

On many occasions, Chinese troops intruded into Muong Te and Phong Tho Districts of Lao Chau Province, Ha Quang and Ha Lang Districts of Cao Bang Province, and Dong Van and Xin Man Districts of Ha Tuyen Province for sabotage activities. They also intruded into Pac Tat hamlet, Tong Quat commune in Ha Quang District of Cao Bang Province to abduct people and take away buffaloes and cattle.

In the face of these acts, by heightening their vigilance, our Armed Forces and people in these localities opened fire, killing many aggressors and capturing a quantity of weapons and military equipment.

Recently, China and the United States conducted their first joint naval exercise. This was a premeditated joint military exercise designed by Washington to drag China into its strategy in Asia. The public is wary of this joint naval exercise because of its enormous significance and because it took place at a time when the establishment of Sino-American military relations was underway and when the United States was intensifying its military activities in the Pacific aimed at opposing the Soviet Union and other socialist countries in Asia.

Late last month, the Reagan administration informed the U.S. Congress of its plan to sell a large amount of Air Force equipment to China to help it modernize its F-18 jet fighters -- China's most modern aircraft. This includes aircraft guiding radar and firepower control equipment worth some \$500 million. Meanwhile, U.S. Deputy Assistant Secretary of Defense James Kelly arrived in China to discuss final details for this matter.

People said that upon approval by the U.S. Congress, this deal would be the second time the United States has supplied military equipment to China. Late last year, the United States helped modernize a factory manufacturing heavy artillery pieces in China.

It is also known that late last month, an exhibition of Western arms and military equipment opened for the first time in China; and it will last until December 1986. Some 170 arms-producing companies from 17 Western countries are displaying many types of weapons for sale. It has been reported that China will purchase at least \$1.6 million worth of weapons and military hardware at the exhibition.

Concerning the goals of the current Sino-U.S. military cooperation, a spokesman for the U.S. Department of Defense stressed at a recent conference held by a right-wing organization in the United States that military cooperation still remains a fundamental aspect of United States policy toward China. The United States is promoting its military relations with China on the basis of affirming that Washington and Beijing share important interests both globally and regionally.

As already mentioned, the assistance given by the United States to Beijing's military modernization efforts is also aimed at involving China in Washington's strategy in Asia; and this at a time when the United States is intensifying its military activities in the Pacific in furtherance of its dark designs. Therefore, one cannot fail to note the military activities conducted by the United States in coordination with South Korea and Japan. Since 10 February, more than 200,000 U.S. and South Korean soldiers have begun a joint military exercise code-named "Team Spirit '86." The Pentagon has mobilized U.S. troops stationed in South Korea and other units belonging to the U.S. Pacific Armed Forces Command and even from the United States for participation. It is also noteworthy that the large aircraft carrier Midway based in Japan and aircraft of various types, including B-52 strategic bombers, are being used in the exercise. This is a very serious military provocation conducted by the Reagan and Seoul administrations to maintain dangerous tension in Northeast Asia.

Meanwhile, a Japanese news agency has observed that U.S.-Japanese military cooperation is reaching a high level. Since 24 February, all three armed branches of the Japanese Defense Force and U.S. forces stationed in Japan have begun a joint military exercise lasting for 5 days and covering command and staff operations on maps and the central command system. This is the first time all three Japanese armed branches have participated in a joint military exercise with the three U.S. armed branches in this way.

Along with setting up more than 40 military bases manned by about 40,000 soldiers in South Korea and storing thousands of nuclear weapons at these bases, the United States has intensively strengthened bilateral and trilateral military alliances between Washington, Tokyo, and Seoul; and systematically carried out its reactionary strategies in Northeast Asia as well as throughout the Asia-Pacific region. From this, it can be seen that the United States is prepared to intervene militarily anywhere in the region. New proof of this is that taking advantage of the upheaval in the Philippines, the Pentagon has devised a plan to send 5,000 Marine belonging to the U.S. Rapid Deployment Force from Okinawa to that country.

The Reagan administration has recently talked a lot about its efforts to ease world tension. However, its deeds have belied its words. The U.S. Administration has not only stubbornly refused to follow the Soviet Union in suspending nuclear weapon tests but has also provocatively organized many military exercises in different parts of the world. Beside its joint military exercises with China, South Korea, and Japan as mentioned above, the United States has conducted menacing war games in the sea off Libya, with NATO member countries from 15 February to 19 March in Norway, and so forth. The peoples in the Asia-Pacific region as well as peace-loving peoples the world over cannot but fail to heighten vigilance in the face of bellicose activities conducted by the United States in collusion with international reaction.

THAI REQUEST FOR TALKS ON CAMBODIA REJECTED

BK011500 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Mar 86

[Text] On 1 March 1986, our Foreign Ministry spokesman issued the following statement:

On 27 February 1986, Thailand, on behalf of the ASEAN Standing Committee chairman, issued a statement requesting Vietnam to respond to the 8 February 1986 statement by the so-called CGDK suggesting talks with Vietnam on the Cambodian issue.

This is mainly Thailand's 3 July 1985 proposal that has already been rejected by the Indochinese countries because it distorts the situation in Cambodia and stubbornly clings to the genocidal Pol Pot clique and Pol Pot's allies with the scheme of returning them to Cambodia.

The fact that Thailand has reiterated the above-mentioned statement on behalf of ASEAN, proves its eagerness to cling to the wrongful stand and to seek ways to elude the correct, fair, and reasonable proposals of the three Indochinese countries.

The SRV recognizes the PRK as the sole, genuine, and legal representative of the Cambodian people, and fully supports the PRK's stand in achieving national conciliation on the basis of eliminating the genocidal Pol Pot clique.

The SRV asserts the three Indochinese countries' stand specified in the communiques of the 10th, 11th, and 12th Indochinese foreign ministers' conferences, considering them the correct base on which to settle the problems of peace and stability in Southeast Asia and the Cambodian issue. At the same time, the SRV welcomes the effort of other countries to accelerate the process of dialogue in order to seek a solution to the above-mentioned problems.

COUNCIL OF MINISTERS COMMUNIQUE ON PALME DEATH

BK031510 Hanoi Domestic Service in Vietnamese 1430 GMT 3 Mar 86

[Communique issued by the Council of Ministers on 3 March]

[Text] With overwhelming grief, the SRV Council of Ministers informs the people throughout the country that Mr Olof Palme, Swedish prime minister, was assassinated in the early hours of 1 March in Stockholm.

Prime Minister Palme was a brilliant statesman of the Swedish people and a persistent fighter for peace, national independence, and equal friendship and cooperation among nations in the world. As a great and close friend of the Vietnamese people, he was one of those who initiated and constantly fostered the fine friendship and cooperation between Sweden and Vietnam. He strongly supported our people's anti-U.S. war for national salvation from the very beginning.

After our country was completely liberated, he persistently advocated cooperation with us and assisted our people in the struggle for national reconstruction. His passing away is a great loss to the Swedish people as well as to the Vietnamese people and all the forces of peace and national independence in the world.

To remember Prime Minister Olof Palme, the SRV Council of Ministers decided that the entire country will be in mourning; flags will be raised at half-mast at all public offices, and all entertainment activities will be suspended for 2 days, from 4 to 5 March.

PHAM VAN DONG HONORED BY SOCIALIST ENVOYS

BK011258 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Feb 86

[Text] On the 80th birthday of Comrade Pham Van Dong, member of the CPV Central Committee Political Bureau and chairman of the SRV Council of Ministers, on 24 February the Soviet charge d'affaires to Vietnam presented to Chairman Pham Van Dong the decision of the Presidium of the USSR Supreme Soviet conferring upon him the noble October Revolution Order.

On 26 February Czechoslovak Ambassador Extraordinary and Plenipotentiary to the SRV Bohuslav Handl, on behalf of Czechoslovak President Gustav Husak and Prime Minister Lobomir Strougal, conferred upon Comrade Pham Van Dong the noble Lenin Order. Hungarian Ambassador Extraordinary and Plenipotentiary to the SRV Bela Benyei, on behalf of the presidium of the Presidential Council of Hungary, conferred upon Chairman Pham Van Dong the noble Hungarian Order with a Hungarian banner embroidered with ruby. The GDR charge d'affaires to the SRV, on behalf of the GDR Council of State Chairman Erich Honecker, conferred upon Chairman Pham Van Dong the Karl Marx Order.

Chairman Pham Van Dong thanked these comrade ambassadors and charge d'affaires and asked them to convey his sincere thanks to party and state leaders of the above-mentioned fraternal countries for the high distinctions awarded him on his 80th birthday.

Attending the award ceremony at the chairman of the Council of Ministers' office were Truong Chinh, member of the CPV Central Committee Political Bureau and chairman of the Council of State; Nguyen Huu Tho, chairman of the National Assembly; Pham Hung, Chuy Huy Man, to Huu, Vo Van Kiet, Do Muoi, Nguyen Co Thach, Dong Sy Nguyen, Le Quang Dao, Tran Kien, Le Thanh Nghi, Vo Nguyen Giap, Vu Dinh Lieu, Huynh Tan Phat, Nghiem Xuan Yem, Phan Anh, Vu Mao, Dang Huu, Pham Huu Duet, Nguyen Chanh, Doang Trong Truyen, Hoang Ming Giam, Phien Dinh Tuan, and Vo Van Sung.

DONG SY NGUYEN AT BEN THUY BRIDGE CEREMONY

OW021411 Hanoi Domestic Service in Vietnamese 1100 GMT 1 Mar 86

[Excerpts] A report by a Voice of Vietnam correspondent in Vinh City, Nghe Tinh Province, notes: A ceremony to begin construction of the Ben Thuy Bridge was held this morning, 1 March, at Vinh City, native land of the venerated and beloved Uncle Ho.

Present were Comrades Dong Sy Nguyen, alternate member of the Political Bureau of the CPV Central Committee, vice chairman of the Council of Ministers and minister of communication and transportation; Nguyen Ky Cam, member of the CPV Central Committee and secretary of the Nghe Tinh Provincial CPV Committee; many comrades representing the province's committees, sectors, and construction units; and large numbers of Vinh City people.

The nearly 600-meter-long, 15 meter-wide Ben Thuy concrete bridge consists of 11 spans. The bridge is expected to be completed by the end of 1988.

In addition to the construction of Ben Thuy Bridge, the Nghe Tinh communication and transportation sector, in cooperation with the Union of Communication Enterprises in the fourth and eight zones, is also building National Route No 8, an important communication line linking Vietnam and Laos.

CPV DEPARTMENT ON 1985 ACHIEVEMENTS, 1986 TASKS

BK011234 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Feb 86

[Text] On 27 and 28 February 1986, the Central Committee's Department of Organization met to review its 1985 achievements and discuss the guidelines and tasks for 1986.

The participants in the meeting reviewed and clearly pointed out the strengths and shortcomings of party development and organization tasks last year, and commented the various localities and sectors, especially the primary installations of production and business, and some of the economic sectors, for having reassigned their cadres to suit the requirements of renovating the management mechanism and to shift from bureaucratic centralism to socialist economic accounting and business transactions.

The participants in the meeting devoted much time to discussing the guidelines and tasks for 1986 with two major targets: Prepare and conduct the sixth national congress of the party and the party organization congresses at all levels, and meet the requirements of building the economic structure, renovating the management mechanism and socioeconomic tasks with emphasis placed on the issue of personnel, revamping the organizational apparatus, and streamlining the staff.

Recapitulating the conference, Comrade Nguyen Duc Tam, member of the Central Committee Political Bureau, secretary of the party Central Committee, and head of the Central Committee's Organization Department, clearly pointed out the position and responsibility of the task of organizing and developing the party in 1986, the year in which the national congress of the party will be conducted and the first year of the 1986-90 5-Year Plan.

DPRK FOREIGN MINISTER KIM YONG NAM MEETS SUHARTO

BK030928 Jakarta International Service in English 0800 GMT 3 Mar 86

[Text] The visiting foreign minister of North Korea, Kim Yong-nam, paid a courtesy call on President Suharto in Jakarta today. Minister Kim Yong-nam arrived on Friday [28 February] afternoon for a 5-day visit to Indonesia at the invitation of his Indonesian counterpart, Foreign Minister Mokhtar Kusumaatmaja.

On Saturday, he held talks with Minister Mokhtar during which they discussed various bilateral and international issues. Both ministers shared the view that Indonesia and North Korea had stressed the need for the expansion of bilateral ties between them. According to Minister Mokhtar, the exchange of visits between the two countries should be increased -- not only by top government officials, but also by cultural missions as well.

The North Korean foreign minister is also scheduled to pay a courtesy call on some other Indonesian officials, including the House Speaker Amir Makhmud, Coordinating Minister for Political and Security Affairs Surono, and Information Minister Harmoko while in the country.

AUSTRALIA'S HAYDEN MEETS WITH MOKHTAR 3 MARCH

BK030835 Jakarta ANTARA in English 0813 GMT 3 Mar 86

[Text] Jakarta, March 3 (ANTARA) -- Australian Foreign Minister Bill Hayden said his meeting with Foreign Minister Mokhtar Kusumaatmaja here Monday was aimed at enhancing bilateral relations between Australia and Indonesia. Hayden said after the one-hour meeting at the Foreign Ministry that he and the Indonesian foreign minister had touched on various problems of interest to both countries. "We discussed various regional issues, including development in the Philippines, the Kampuchean problem and the explosion of the U.S. shuttle, Challenger," he told reporters.

He said he also got detailed explanations on the latest development in Kampuchea, including ASEAN's 12-point proposal, and on the results of talks between Mokhtar and U.S. Secretary of State George Shultz (concerning missing U.S. soldiers in Vietnam) in Washington last February.

The bilateral relations -- both foreign ministers discussed the problem of the continental shelf south of East Timor. Talks on joint efforts to explore and exploit mineral riches in the shelf will be continued on [a] technical level beginning from May 8 this year, Hayden said. "Indonesia will bring a set of proposals which of course we will study carefully before giving a response," he said.

Foreign Minister Mokhtar also told Hayden about his plan to visit Hanoi in the near future. Meanwhile, Minister Mokhtar said that the 12-point proposal of ASEAN constitutes a good basis for the discussion, because there are main problems that should be solved by the two sides. "At least the 12-point proposal contains issues that should be solved and the proposal is also very useful for ASEAN and Vietnam to decide their positions," Mokhtar added.

As a spokesman of ASEAN, the minister will also discuss the Kampuchean issue with his Vietnamese counterpart in Hanoi later this month after the Indonesia-Vietnam working group had two meetings in Jakarta last December and in Hanoi last month. He expressed the hope that his next meeting with Foreign Minister Nguyen Co Thach in Hanoi will make their respective positions closer.

Touching on the Indonesian proposal in the recent talks on the continental shelf, south of East Timor, between Indonesia and Australia, Minister Mokhtar said that the proposal is very attractive but he didn't elaborate.

Answering a question on the planned visit of President Suharto to Australia, the minister just only said that the head of state might not be able to go abroad before the general elections in May 1987. Mokhtar also confirmed that in the last three months, relations between Indonesia and Australia had taken a satisfactory course. He said his visit to Australia in December last year had contributed to the improvement of bilateral relations. From now on, the two countries will concentrate their attentions on similarities rather than differences between the two countries, the Indonesian foreign minister said.

Meets Home Affairs Minister

BK031257 Jakarta Domestic Service in Indonesian 1200 GMT 3 Mar 86

[Text] Australian Foreign Minister Bill Hayden says the Australian Government has never granted political asylum to Fretilin [East Timor Revolutionary Front for Liberation] members fleeing East Timor. Bill Hayden said this after meeting with Home Affairs Minister Suparjo Rustam in Jakarta today. He added that rapid economic development in East Timor after its integration into Indonesia had prompted Chief Minister of the Northern Territory of Australia Ian Tuxworth to extend an invitation to East Timor Governor Mario Vargas Carascalao to visit Darwin. Another topic of discussion between Suparjo Rustam and Bill Hayden during today's meeting was national development in Eastern Indonesia.

Suharto Meeting Canceled

BK040200 Melbourne Overseas Service in English 0130 GMT 4 Mar 86

[Text] A planned meeting in Jakarta today between the Australian foreign minister, Mr Hayden, and Indonesia's President Suharto has been canceled. The Australian delegation has been told the president is not well and has been unable to keep other appointments. No details of President Suharto's illness have been given.

Coincidentally, Mr Hayden himself canceled the news conference yesterday because of a stomach upset. On the opening day of his visit, Mr Hayden had talks with three Indonesian government ministers. His Indonesian counterpart, Dr Mokhtar, gave him details of Indonesia's 12-point proposal for resolving the Kampuchean conflict. They also discussed proposals for the exploration of oil and mineral deposits in the area known as the Timor Gap.

A Radio Australia's correspondent traveling with the foreign minister, John Lombard, says there is a possibility Mr Hayden will meet the Indonesian vice president, General Umar, before he leaves for Singapore later today. He will also visit Malaysia, Hong Kong, and the Philippines during his Asian tour.

U.S. HELP SOUGHT IN RETRIEVAL OF MARCOS WEALTH

BK040454 Manila PNA in English 0432 GMT 4 Mar 86

[Text] Manila, Mar 4 (PNA) -- The Philippine Government has officially sought the help of the United States Government in getting back several millions of pesos and an undetermined quantity of gold bullions carted away by former President Ferdinand E. Marcos when he fled the country last week.

The request was made by the Central Bank [CB] of the Philippines on behalf of the Ministry of Finance with the state and federal courts of Hawaii where two U.S. Air Force planes carrying the presidential luggage landed. C.B. Governor Jose B. Fernandez said the Central Bank has initiated legal proceedings in Hawaii to recover these assets, which have been delivered there in clear violation of existing Central Bank rules.

"Under our laws, local currency exported without any export license is subject to confiscation and by operation of this particular rule, we consider that to be the property of the Philippine Government," Fernandez said. Fernandez said the legal processes which include the filing of a temporary restraining order with the courts started last Friday, a day after the presidential luggage arrived in Hawaii's Hickam Air Base aboard two U.S. Air Force planes. Court hearings will start Tuesday.

"We are not wasting any time in taking appropriate legal steps in the U.S. to recover some of these assets," he said. Although he admitted that the Philippines cannot enforce any of its rules outside of the Philippines, Fernandez said the processes are being taken in accordance with U.S. laws. "We cannot tell at this point whether these steps will prosper," he added.

Early reports said that Marcos and his party fled with huge sums of money in local currency and in dollars, bags of jewelries and gold bullions following a four-day revolt led by his defense minister and military chief. Fernandez said there was no estimate of how much the assets are worth, and if there were really gold bullions. "We do not know for a fact because we have not been given an inventory. We are informed extra-officially about these things but we have to [have] official listing of all these assets," he said.

Based on a first report he received, Fernandez said the assets being recovered include 22 crates containing millions of pesos in 100-peso bills. He said the crates were the same type containing 65 million pesos which were earlier intercepted by Manila police elements along Roxas Boulevard. "If those crates are really full, that would amount to 110 million pesos, he said. Fernandez, however, said they have not seen the crates and was basing his estimate on the 13 crates found to contain 5 million pesos each or a total of 65 million pesos.

10 Billion Dollars Targeted

HK041049 Hong Kong AFP in English 1017 GMT 4 Mar 86

[Textq Manila, March 4 (AFP) -- The Philippine Government will move to sequester assets of ousted President Ferdinand Marcos and his "cronies," which may total 10 billion dollars, officials said here Tuesday. The government has traced Marcos bank deposits in Brazil, the Bahamas and Switzerland in addition to properties already discovered in the United States and will move to sequester them, Jovito Salonga, chairman of a presidential commission on good government told a press conference.

The administration of new President Corazon Aquino will also sequester "all private corporations and businesses" in the Philippines "acquired by Marcos cronies through his influence," Mr. Salonga said. Those owned by Mr. Marcos would remain under government control, and others would be returned to their former owners, he added.

The new administration had already filed proceedings in the New York courts for restraining orders on all Marcos properties there. A member of the presidential commission, Raul Dza, said that they suspected that the assets of Mr. Marcos and his associates in the Philippines and abroad would total some 10 billion dollars.

Mr. Salonga refused to give any figures for the assets already identified. He stressed that investigations into the alleged "hidden wealth" accumulated during Mr Marcos's 20 years in power would include all current government officials, military men and "law enforcement agencies" if they turned out to be implicated. He stressed, however, that "everything will be done in accordance with the due process of the law."

Asked about the legal basis for the commission and its powers to sequester property, Mr. Salonga said that it had been invested with quasi-judicial powers under the presidential executive order from Mrs. Aquino which created it. Its authority was based on the existing constitution, which empowers the president to give executive orders, he added.

The exact legal status of the new government has given rise to question here as under the constitution a president has to be proclaimed by the national assembly before taking the oath of office. The assembly proclaimed Mr. Marcos after a February 7 election, and he was inaugurated a week ago, but less than 12 hours later fled the country in the face of a mounting civilian-military revolt. Mrs. Aquino was sworn in the same day by her supporters.

Mr. Salonga said he had asked for the help of the U.S. Government in freezing all Marcos possessions, including bank deposits and real estate, in the United States. He said he had met earlier Tuesday with U.S. presidential envoy Philip Habib, who had agreed to cooperate with the new government in the investigation.

CIVIL, POLITICAL RIGHTS COVENANT RATIFIED

HK030552 Hong Kong AFP in English 0522 GMT 3 Mar 86

[Text] Manila, March 3 (AFP) -- The new Philippine government Monday ratified the international covenant on civil and political rights and said it would not allow a repeat of the human rights abuses under deposed strongman Ferdinand Marcos. Vice President and Foreign Minister Salvador Laurel made the announcement as he took over his new ministry six days after a civilian-military revolt installed President Corazon Aquino and sent Mr Marcos into exile in the United States.

He said Mrs Aquino's order to free all political prisoners was "received with joy" worldwide, and that most of those freed suffered "ill treatment and torture" during Mr Marcos's rule, which included martial law from 1972-81. "Such wanton violations of the human rights will never happen again under the present administration," Mr Laurel told a news conference.

Mrs Aquino said Sunday that 480 political prisoners had been or would shortly be released. The release of four alleged top communist leaders has been delayed, and a special committee is to meet to study their case Wednesday. Laurel said Mrs Aquino approved the ratification of the covenant -- signed by a Philippine representative 20 years ago -- as "an act of faith."

He said Manila had ratified an optional protocol of the covenant allowing individual citizens to appeal to the UN Human Rights Committee in case the government violates any of the rights enshrined in the covenant.

A Foreign Ministry statement said the Marcos administration "refused to ratify the covenant because of the declaration of martial law."

VILLAFUERTE ON REVAMP OF GOVERNMENT AGENCIES

HK040409 Manila Far East Broadcasting Company in English 2300 GMT 3 Mar 86

[Text] The chairman of the government reorganization commission, Luis Villafuerte, spoke about the goals of the government revamp: [Begin Villafuerte recording] [Words indistinct] the public that at this point in time we should not prejudge what would actually happen to these ministries or agencies of the government. There have been only tentative proposals with respect to their future status. What has happened thus far is that various task forces have been fielded by the president's office, first of all, to take custodial responsibility of assets, records, and equipment in order to protect and preserve them. The second step, of course, would have to be an in-depth review of what they have been doing in the past and what we can do in the future. So at this point in time I would say that it would be premature to make a judgment as to how these ministries and agencies would go. Of course, this would depend upon the ultimate decision of the president. [end recording]

TRADE MINISTRY TO CONSULT WITH PEOPLE'S COUNCILS

HK040431 Manila Far East Broadcasting Company in English 2300 GMT 3 Mar 86

[Text] Trade and Industry Minister Jose Concepcion yesterday [3 March] said he will set up people's councils in key towns and cities with whom his ministry will consult periodically. The council will aim to raise productivity and give people a key role in enhancing the pace of economic recovery. Concepcion also said he will recommend to President Corazon Aquino the appointment of economically oriented ambassadors or consuls whose primary functions will be to help attract foreign investments into the Philippines. He spelled out his ministry's thrust in yesterday's Kapihan Sa Maynila [Manila Coffeeshop] breakfast conference at the Manila Hotel.

INFORMATION MINISTRY MOVES TO SECURE ASSETS

HK281227 Quezon City DZFM Radio in English 1100 GMT 28 Feb 86

[Text] Information Minister Teodoro Locsin today asked key officials and the staff of his ministry to secure all assets and equipment of their respective offices. In issuing the order, he noted that there are reports that some people in the provinces would like to take over government facilities such as broadcast stations. Locsin said such properties must be preserved for their intended use by the government. He asked the employees of the Office of Media Affairs to stay on the job. He said the ministry's [word indistinct] will have to change. However chiefly this means doing away with the practice of [words indistinct] projecting the image of the president.

KBL PLEDGES SUPPORT, COOPERATION IN LEGALIZATION

HK040759 Dagupan City DZDL Radio in Tagalog 0445 GMT 4 Mar 86

[Text] The Kilusang Bagong Lipunan has recognized the Aquino government. Some 130 KBL members of parliament and high party officials yesterday agreed to support the government unconditionally and to provide all forms of cooperation for it to become constitutionally legal. In a 5-hour caucus of the KBL leadership, a nine-person committee headed by former Prime Minister Cesar Virata was formed to conduct a dialogue with President Aquino on mechanics of plans to render the so-called revolutionary government legal.

Meanwhile, the KBL also warned against what they termed as illegal ouster and replacement of incumbent local officials. Majority Floor Leader Jose A. Rono said that the party will defend the legitimacy of incumbent local officials to stay in office and warned that it would use people power to halt their illegal ouster and replacement.

Rono warned that continued ouster and replacement of incumbent local officials would lead to upheavals and confusion in communities. Moreover, he emphasized that KBL officials are united in extending support and cooperation to President Aquino in order for her to stabilize her administration as a true democratic government.

The caucus drafted a resolution to be presented to President Aquino which stated that incumbent local officials whose term of office expires on 23 March 1986 shall hold office until 30 June 1986 or until their successor shall have been elected and qualified. According to the KBL, this resolution was contained in the Omnibus Election Code. The KBL also requested that the appointments made by Local Government Minister Aquilino Pimentel, which they claim to be arbitrary, be nullified.

Reorganizes for Opposition Role

HK040453 Hong Kong AFP in English 0434 GMT 4 Mar 86

[By Joel Paredes]

[Text] Manila, March 4 (AFP) -- Remnants of ousted President Ferdinand Marcos's New Society Movement (KBL) are trying to lose the stigma of association with him in a desperate bid for their survival, analysts say here. Although numerically superior in the 190-member National Assembly, leaders of the once powerful ruling party have come out in support of President Corazon Aquino's administration to remain in the running in a bipartisan system.

Right now, KBL leaders are trying on their own to reorganize their ranks since any taint of Mr Marcos's influence, and its association with graft and corruption, could easily isolate them from the people. Yet at a KBL party caucus Monday they could hardly ignore the telephoned advice from Hawaii of the exiled Mr Marcos, still on paper the head of the party, that they stay united.

There was little mention of the message, or of Mr Marcos himself, at the caucus. The formation of a nine-man executive committee to act as a "collegial leadership" seemed in line with his call, but could also have been a pragmatic response to their problem, analysts said.

Until the caucus, there were signs of a split in the party between those who approved the move to support the Aquino government and those who wanted to wage a "legal war" on the new Philippine leader.

The KBL Executive Committee are to try to convince Mrs Aquino to "legalize" her government through the KBL-dominated National Assembly so they can participate in the country's political transition.

In effect, Mr Marcos' partymen had no choice but to recognize the new government to prevent the abolition of parliament and try to halt the replacement of local officials, many of whom were identified with the exiled president, analysts noted. "It seems that the Aquino government has been in position for less than a month and it has already endangered certain species," remarked Mr Marcos' former Political Affairs Minister M.P. Leonardo Perez.

Like Mr Perez, many KBL leaders fear the Aquino administration would capitalize on this "revolutionary government" and the emerging "people power" to replace Marcos loyalists holding local government positions.

The role of opposition seems to be coming hard to some of the supporters of the man who ruled the Philippines for 20 years. His vice-president elect Arturo Tolentino, while accepting a place in the new "collegial leadership," made it clear that he still regarded himself as the legitimate vice-president, and said that a "revolutionary government is worse than martial law." Nonetheless, the party seems to have decided that the opposition role is better than no role at all.

"Surely they (KBL leaders) know their way out of this mess to survive since they were used to doing it to the opposition leaders in the past," noted an old political observer. During the martial law years of 1972-81, the Marcos administration replaced many local officials considered pro-opposition with KBL supporters.

Mr Marcos' Prime Minister Cesar Virata, head of the KBL's Executive Committee, said that the party had to preserve its unity if it were to survive Mrs Aquino's six-year term. "We're acting on our own now and we have to realize that people's power has taken over," said Assistant Majority Floor Leader M.P. Rodolfo Albano.

KBL spokesman M.P. Blas Ople said they were looking "forward to a stronger role as the other partner of a strong two party system." "The best service we can render to President Aquino is to function independently of her as an opposition party able to offer alternative policies and programs of government," he said. Mr Ople said they would call to account the party in power and "place them under continuing surveillance so they can stay clean if that's what they desire."

ENRILE, RAMOS ANNOUNCE DISMANTLING OF NISA, PSC

HK031518 Hong Kong AFP in English 1453 GMT 3 Mar 86

[Text] Manila, March 3 (AFP) -- Defence Minister Juan Ponce Enrile and Armed Forces Chief General Fidel Ramos Monday announced the dismantling of two military units they branded as "instruments of authoritarian rule" under the Marcos regime. Mr Enrile said all officers and men of the National Intelligence and Security Authority (NISA) and all but one battalion of the Presidential Security Command (PSC) would be assigned to the field to boost counter-insurgency operations in the countryside.

Both units were under the direct command of Former President Ferdinand Marcos' powerful chief of staff, General Fabian Ver, whom reformists in the Armed Forces have charged with trying to turn the forces into a private army. Mr Enrile said the sole battalion would be retained to protect President Corazon Aquino and Vice President Salvador Laurel.

The two top defence officials also announced that regional commanders had been given orders to intensify efforts to search for missing fire arms and dismantle the private armies of political warlords.

They said they had recommended the appointment of former vice chief of staff and ambassador to Bangkok, Lieutenant General Rafael Ilete, as deputy defence minister under Mr Enrile, abolishing the old system of having five deputy defence ministers.

The decisions were announced following the first full staff and command meeting since the ouster of Mr Marcos, and follow the retirement of 23 over-age generals, and the appointment of new and younger men to take their place.

ENRILE: PROMOTIONS, ASSIGNMENTS BASED ON MERIT

HK010324 Manila BULLETIN TODAY in English 28 Feb 86 p 6

[By Jose De Vera]

[Text] Defense Minister Juan Ponce Enrile has disclosed plans of revising the old system of having to seek prior approval of the President before a military commander is assigned or reassigned to other posts. The defense chief made the disclosure during a press conference in Camp Aguinaldo the other day when he was asked if the policy of former President Marcos on the assignment of officers to key positions would be adopted.

Under the Marcos policy, the Armed Forces chief of staff, the commanding generals of the four major services, were required to seek prior approval of the President before it is effected.

Enrile said he would suggest to President Aquino that this practice should be done away with because "If we are not going to be trusted, we will not accomplish anything."

Enrile said: "I would probably suggest to President Aquino that the military organization must be allowed to function as it must be with total flexibility in order that it can perform its function without any restriction, other than its loyalty to the people, to the nation, to the constitution and to the flag, and its obedience and respect for the commander-in-chief. Otherwise, the regime will not be any different from the old one."

The defense chief said that "as of now, the military organization has been consolidated and our main effort right now is to start immediately the professionalization of the military organization." "Henceforth," Enrile said, "appointments, promotions and assignments in the military service, including the police service, should be based solely on qualification and merit and no favoritism."

On the so-called overstaying or extender generals, Enrile said that as far as the ministry is concerned, "We have consistently followed the policy of extension of military personnel so that we can follow the hierarchical structure of the military organization."

He added: "We will recommend to President Aquino strict enforcement of the military retirement law. But, we will of course request the President the service of the chief of staff, Gen. Fidel V. Ramos."

Negative on Cease-fire With NPA

OW281201 Tokyo NHK Television Network in Japanese 1000 GMT 28 Feb 86

[Text] Philippine Defense Minister Enrile, in an interview granted to NHK, has shown a negative stance on the question of a cease-fire with the communist guerrilla New People's Army [NPA], one of the focal issues in the presidential election, revealing a difference of opinion with President Aquino.

In the interview, Defense Minister Enrile said: At the current stage, I do not know if a cease-fire with the NPA will produce good results. He thus indicated a negative view toward the cease-fire.

Regarding the release of NPA members and other political prisoners, he said that to release Marxists is dangerous. He thus made it clear he harbors strong fears of the NPA.

In her election campaign pledge, President Aquino said that she would seek the resolution of the issue through negotiation after first effecting a 6-month cease-fire. Hence, the defense minister's negative attitude toward a cease-fire reveals a difference of opinion. This is the first difference of opinion in the cabinet on important policy matters. This is noteworthy in that it is a sign of the difficulties for the Aquino administration, a scratch team [Yorlai], in running the cabinet.

NPA HEAD WILLING TO WORK WITH NEW ADMINISTRATION

HK011138 Hong Kong AFP in English 1118 GMT 1 Mar 86

[Text] Manila, March 1 (AFP) -- The alleged former chief of the communist New People's Army said Saturday he was willing to work with the administration of new President Corazon Aquino. "I am thinking of offering my help to the new administration," Bernabe Buscayno, known as Commander Dante, told AGENCE FRANCE-PRESSE in his prison room at a detention centre in Camp Crame military camp outside Manila.

He was speaking before Mrs. Aquino's spokesman Rene Saguisag announced that Mr. Buscayno and three other top communist leaders were not among 435 prisoners to be released immediately, despite an earlier announcement by the military that they would be freed. The news "goes to show that (Armed Forces Chief of Staff) General (FIDEL) Ramos and Defence Minister Juan Ponce Enrile are truly against our release," Mr. Buscayno said upon hearing Mr. Saguisag's statement.

"They are probably afraid that our being freed would embolden the guerrilla forces or that maybe we would rejoin the (communist) movement," he said, adding that "the military should respect the decisions of the civilian authority." However, he said his offer to work with Mrs. Aquino was "not connected" to his prospects for release.

One of those released Saturday, Horacio Morales, alleged head of the communist-led New Democratic Front, said he was calling for dialogue between Mrs. Aquino and the radical left for a "coalition government." Mr. Morales, 42, said such a dialogue would be a "first step" before any possible ceasefire with the NPA, but added "I don't think we can go to laying down arms yet."

The wife of jailed former Communist Party of the Philippines (CPP) Chief Jose Maria Sison, 47, whose name was also on the initial release list, complained earlier that he was "being left out of Mrs. Aquino's amnesty call."

Juliet Sison said in response to the news that his release was to be delayed: "I expected that it would be some time before he was released." "I understand Washington is objecting to the release of my husband," she told AGENCE FRANCE-PRESSE, adding: "I guess I'll just have to wait and keep up the pressure for him to be released." She also said earlier that there was "no moral and legal reason" to detain her husband.

Mr. Sison, a prominent political science professor, was the alleged founder of the new CPP after it broke with the pro-Soviet Communist Party of the Philippines (PKP) in 1968. The CCP was later outlawed by deposed President Ferdinand Marcos. Mrs. Sison said she had been told that Mr. Enrile and Gen. Ramos were blocking the release of "top-level" communist leaders because of fears of an upsurge in the communist insurgency. But she added that all her husband wanted to do after being detained for more than 10 years on subversion and rebellion charges was to be reunited with her and their four-year-old son.

Also earlier in the day, the atmosphere in the building where Mr. Buscayno has been held in a single room which he has shared with his wife and family was relaxed, with Mr. Buscayno holding court to a stream of visitors. Looking frail, he said he was "brimming with happiness" at the military's news of his release, and showed no signs of impatience. "After being here for 10 years, I can surely wait for another day or two," he said.

The cell contains a bed which serves as mattress and settee, a table littered with dirty plates, and two slogans on the wall "free all political prisoners" and "long live freedom."

Mr. Buscayno said he was considered offering to help the new administration, which took over after Mr. Marcos fled Tuesday, because "the struggle has developed to a higher level." "If the new government can guarantee our freedoms and ensure a genuine democracy then there is no reason why there should not be a harmonious interaction among political parties," he added.

Mrs. Aquino has pledged to work for a ceasefire and negotiations with the communists. The NPA has an estimated 16,000 men under arms. Mr. Buscayno noted that the radical left had called for a boycott of the election, but said, "I personally was for participation because the people have overwhelmingly placed hope in the new administration, we should go along with them."

One cell block in the Fort Bonifacio complex where Mr. Sison is being held was deserted Saturday, after the three detainees being held there were released, eye-witnesses said. The gates to the grey-stoned cell block were open, a pig snuffled around in the yard, and inside the cells there was almost no sign of the prisoners. The rooms contained nothing but wooden-slatted bunk beds without mattresses, and the room where conjugal visits were held was unfurnished. There were no guards in the two watchtowers.

✓ NDF: MARCOS OUSTER 'SIGNIFICANT VICTORY'

HK031212 Hong Kong AFP in English 152 GMT 3 Mar 86

[Text] Manila, March 3 (AFP) -- The underground far left National Democratic Front (NDF) has welcomed the ouster of President Ferdinand Marcos as a "significant victory" but warned that last minute defectors from his regime pose a major threat. In a statement dated February 28th and received today, the NDF repudiated a statement made earlier in its name in the central city of Cebu which called the new government of President Corazon Aquino "bourgeois", and said it was the statement only of its Cebu chapter.

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"The NDF urged the people not to let down their guard in defending the gains won over so many years of struggle... and warned against the move of midnight or 11th-hour defectors from the Marcos regime.

"These significant sectors of the Marcos faction who instantly defected to flee a sinking ship pose a major threat to these gains," the statement said.

It also lambasted what it called the "thoroughly hypocritical" role of the United States in riding on the popular crest of repudiation of Mr Marcos while "protecting the interests of the Marcos family and its principal cronies."

The NDF is a coalition of farmers, workers, and professionals estimated to have several hundred thousand members nationwide. The statement ended by calling for a broadening of "all forms of democratic and revolutionary struggles" until such questions as U.S. imperialism and genuine land reform had been decisively resolved in favor of the broad masses of the Filipino people. Mr Marcos abandoned power Tuesday after a four-day civil-military rebellion against his 20-year-rule. The 68-year-old ex-president is now in Hawaii.

CLASH WITH NPA LEAVES 19 DEAD IN ALBAY

HK040421 Manila Far East Broadcasting Company in English 2300 GMT 3 Mar 86

[Text] The New People's Army, which has been inactive since the February 7th election, has renewed its guerrilla war. NPA guerrillas killed 15 policemen and 4 civilians in a battle in Guinobatan, Albay. It was the first major clash between government troops and the rebels since the downfall of President Marcos. Those killed include 14 policemen and a paramilitary sergeant. Twelve other policemen and four civilians were wounded when the bus they were riding in was caught in the crossfire.

EDITORIALS APPLAUD AQUINO CABINET CHOICES

PHILIPPINE DAILY EXPRESS

HK281615 Manila PHILIPPINE DAILY EXPRESS in English 28 Feb 86 p 4

[Editorial: "A Fairly Good Start"]

[Text] It is generally accepted that the top priorities of the administration of President Aquino are the restoration of political stability and full economic recovery. With the naming of most of the cabinet members, the people now have an idea of who will be the "overseers," of the president in the pursuit of these twin objectives, particularly the solution of our many, diverse, and complex economic problems. The initial reactions when the cabinet members were named were, in fact, generally favorable. And although there are critics and former loyalists of the president's predecessor in the cabinet, the people are generally supportive of President Aquino's choices.

Some, in fact, are considered outstanding, like MP Neptali Gonzales as justice minister, MP Aquilino Pimentel as local governments minister, and former Sen. Jovito Salonga as head of the newly formed presidential commission on good government.

The main focus, however, will be on economics. The business community, which expects an upturn because of the new high in confidence in the government, awaits the policies and priorities of Finance Minister Jaime Ongpin and Trade and Industry Minister Jose Concepcion Jr., as they address the economic problems of the country, whose external debts, estimated to total some \$25 billion, make it the most indebted in Southeast Asia. The business sector, which has long expressed its desire for less government intervention and for more public accountability of government officials, also expects that other key positions, particularly in the National Economic Development Authority, will soon be filled up to give impetus to the economic thrusts of the Aquino government. Clearly, the new government has started to acquire momentum.

Already noticeable is investor confidence, evidenced by the unusual renewal activity at the two stock exchanges, which had been moribund the past two years. But clearly, too, the need for economic growth and the benefits it will bring is imperative. And this is precisely the reason we all look to the new economic managers to see how they start getting us back on our economic feet.

TIMES JOURNAL

HK281557 Manila TIMES JOURNAL in English 28 Feb 86 p 4

[Editorial: "Good Beginning for Mrs Aquino"]

[Text] The members of the new cabinet appear to have been endorsed by the people, albeit not as enthusiastically as some had expected. This is perfectly understandable, considering that some of them are not quite popular; they have not been given much exposure in "government influenced" media before. Still, we are sure that the new president has confidence in them and since Mrs Corazon C. Aquino was the overwhelming choice of the people in the last election, there is also no doubt that her choice is the people's choice.

One noteworthy thing about the composition of the new cabinet is that it does not include any relative of Mrs Aquino or her murdered husband. While many are aware that it was Mrs Lupita Aquino Kashiwahara who directed the media aspect of the president's campaign in the last election, Mrs Kashiwahara was conspicuously absent from the victory celebrations that followed the lightning developments which led to the flight of the former president, his family and some of his friends. And while Agapito 'Butz' Aquino, the president's brother-in-law, has often been seen on television, it is evident that he had nothing to do with the choice of his sister-in-law's cabinet. This augurs well for the new government if we must recall that one of the first stains of the previous administration was the inclusion of relatives in the bureaucracy who inevitably abused their positions. We certainly hope things will remain this way.

The members of the new cabinet, despite the meager media exposure of some, are men of integrity who have excelled in their own fields. We can only hope they, too, have learned from the lessons of other officials in the previous regime so that they will be able to avoid the mistakes that helped bring that regime to ruin.

We also hope that the people will not immediately expect much from the new administration. We all know that the problems it inherited from the Marcos government are formidable and cannot be solved overnight. The solution to the ills of the country will rest on the people -- their capacity to undertake more sacrifices and their co-operation with our new leaders. But, by and large, the people can only be made to undertake such sacrifices if their leaders show the way. We take heart from what the president said that she will not ask the people to make sacrifices that she herself may not be able to make.

BUSINESS DAY REVEALS REBELLION BACKGROUND

HK010717 Manila BUSINESS DAY in English 28 Feb 86 p 5

[By Marites Danguilan-Vitug]

[Text] Today, Feb 28, would have been the start of the military reformists' original plan to pressure former President Marcos to step down and recognize Corazon C. Aquino as president. The original plan was to liberate certain regions in the country, take over military camps and neutralize loyalist forces, then move to Metro Manila and seize Camp Aguinaldo. It would have started three days after Marcos was proclaimed president and the call of President Corazon C. Aquino for nationwide work stoppage. Defense Minister Juan Ponce Enrile, at this time, would have already been out of government having turned in his resignation letter Monday, Feb 24. He was to have joined the reformists in "liberating" the Cagayan region.

Gen Fidel Ramos, then vice chief of staff, vaguely knew of the plan and was not part of it.

Along with the seizure of some military camps -- initially in Regions 10 and 2 -- the reformists would stage a series of group resignations, five every Monday of each week until all reformists would have left the Armed Forces. The intention was to send Marcos a strong message: "You are no longer our commander-in-chief."

Friday night, Feb 21, plans had been firmed up and they met with Enrile. They had a week more to prepare but they wanted everything to appear normal, so Saturday was a regular day for most of the reformists. Enrile had breakfast at Atrium in Makati, bringing his daughter along, only to be interrupted by a telephone call from former Trade and Industry Minister Roberto Ongpin. He informed Enrile that 15 of his security men had been arrested while on regular early morning combat exercise in Fort Bonifacio. These officers and men, five of them assigned to Ongpin by the defense ministry, were detained by the military police brigade in Camp Aguinaldo and were made to sign affidavits which some refused to do. It was not clear what the texts of the affidavits said.

But the events struck the reformists as coming straight out of intelligence reports they had received that they would be arrested. Prior to their arrest, the reports said, a unit of soldiers would be apprehended, forced to sign prepared confessions that they were plotting a Malacanang coup, and be used as an excuse for then AFP chief of staff Gen Fabian Ver to launch a counter-coup aimed at cracking down on the reformists.

Col Galileo Kintanar of the Intelligence Services of the Armed Forces (ISAFP), who was sympathetic to the reform movement, called up Capt Rex Robles early Saturday morning. In an unusually long telephone conversation, Kintanar, though not a close friend of Robles, told him he and his family were going up to Baguio at noon. Robles, surprised, could not understand why he had to be privy to a personal family affair, a weekend trip. Looking back, Robles now understands: it was a roundabout way of warning him to leave the camp in preparation for pending arrests. Robles left his house at Camp Aguinaldo at 3:30 p.m.; at 4 p.m., soldiers in uniform were asking for him.

At noon of Saturday, there was commotion at the defense ministry as some of the reformists discussed what to do. Army Col Greg Honasan, head of Enrile's security group, and Air Force Lt Col Red Kapunan, Enrile's chief of intelligence, went to the Defence Minister's residence in Dasmarinas Village. Navy Capt Rex Robles, the reform movement's spokesman, was assigned to leave Camp Aguinaldo to act as liaison with the diplomatic community and tell the world their story in case the reformists were arrested.

One of the reformists sent an urgent signal to a U.S. embassy official to seek help. But no response was given, the earliest coming two nights after that Saturday. "Now we know who our friends are," the reformist says. He said the incident served as an eye opener on the U.S. government and how it insures its interests in every allied country. "They (U.S. government) wanted to see first who was going to emerge winner before it gave any help," the reformist pointed out. But, in retrospect, it was probably best that the U.S. did not play any role for the Filipinos proved that they could oust a dictator on their own, he said.

Before 3 p.m., Honasan and Kapunan tried to convince Enrile to fly to Cagayan where he could hide, in the meantime, and think of other options should the reformists be arrested. The two key men of Enrile assured him they could handle the situation in the camp. "Why Cagayan? If I die, I might as well die here," he told them.

Enrile thus decided to join the young officers, move his resignation two days earlier, and hold fort in the MND building in Camp Aguinaldo. Two of the first persons he informed on the pending arrest and his resignation were an old friend Rafael Salas, United Nations Fund for Population activities (UNFPA) head, based in New York, and Manila Archbishop Jaime Cardinal Sin. Enrile asked Salas to take care of his family and "tell America" of what was to happen; he also told Salas he would call again -- if he successfully came out of the stakeout. His message to Cardinal Sin: "Pray for all of us because we're ready to take our last stand."

Aboard a helicopter, Enrile, with Honasan and Kapunan, flew to Camp Aguinaldo. At the camp, at about 4 p.m. soldiers started barricading the MND building. Enrile called up Ramos and asked him to come immediately to the camp. Other reformists called up the press.

Ramos was expected to come in 5 pm or thereabouts but was a little late. The reformists were worried thinking Ramos may have been kidnapped or arrested. He rushed into Enrile's office, was told of the plan, and slumped on the chair. But there was no need to convince him to join; his bitterness and frustration with Ver and Marcos had reached their peak days before when Ver would not vacate his post to give way to him and "midnight appointments" were being rushed to assure that Ver's men would be in key posts in the Armed Forces.

By 6:30 pm, Enrile and Ramos were ready to face the press. It was a big risk for they were embarking on what some reformists called the "worst possible position in war" -- a static defense position, with only 300 men, and in an area so indefensible. They had no air cover and Camp Aguinaldo was such a large territory to physically encircle. They were banking on what they thought was a "wild card": popular support.

Saturday night, the first of the long stakeout nights, was the most risky. For if Marcos and Ver had decided to attack the camp immediately, Enrile and company would have been killed. But they figured that if no action came from Malacanang after 12 hours, they would have achieved an initial victory. Enrile, on hindsight, says, "Marcos must have been so shocked he did not know what to do." And Ver, just as shocked, agreed not to send in troops that first night.

The falling out between Enrile and Marcos and the disenchantment of the reformists goes back a long way. In July 1983, Enrile resigned from his office because some persons within the military gave Marcos the information that he had formed a "secret group" in the Armed Forces to "undermine" the President. He and Gen Ramos were supposed to be part of that group. Marcos did not accept Enrile's resignation. But the defense minister told Marcos, "You are being held captive by one man in the Palace," referring to Ver. Marcos replied, "No, I am held captive by one family. I need you to help me."

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That was one of the ways in which Marcos held on to power, deceiving his key men to keep them. Yet, little did he know, that, at times, Ver looked at Marcos with contempt. A close friend of Ver told some of the reformists Ver could manipulate the president if he wished to. The increase of Ver's powers, his building of an empire in the form of regional unified command headed by men loyal to him, the spate of promotions of Ver allies, among others, led to a diminution of Enrile's and Ramos's powers. By 1983, Enrile's camp was weakened.

On the reformists' part, after the Aquino assassination in 1983, they decided to beef up their military capabilities and sought special assistance in training. They were sending a message to the Ver camp that they were no pushover and had the capacity to launch their own offensives.

The growing idealism among the younger officers and soldiers and the deep-seated frustration with the way the military was being run eventually pushed them to form the reform movement in 1984. The most crucial phase of the movement was the establishment of their clean election drive campaign, KAMALAYAN '86, where they tested the strength of their organization and were able to communicate and link up with a large sector of society. They gained confidence from this exercise although they were deliberately downplaying their expanded membership so as not to make Marcos and Ver feel so threatened as to act against them.

But little did they know that so many developments would push them to that Saturday night stakeout, planned for a total of only 45 minutes, but emerging successful because they were with the people who shared their aspirations.

AFP Account Rebellion Background

HK020901 Hong Kong AFP in English 0844 GMT 2 Mar 86

[By Kate Webb]

[Excerpts] Manila, March 2 (AFP) -- They called it command post exercise (CPX), an innocuous-sounding name, which little boded a successful rebellion backed by people-power that was to break President Ferdinand Marco's 20-year grip on power. The command post in this case, on the hot Saturday afternoon of February 22 in Manila, was the white, four-storey Ministry of Defence building in Suburban Camp Aguinaldo. The protagonists were RAM -- members of the hitherto rather shadowy organization known as the Reformed Armed Forces Movement -- young officers, most of them lieutenants, captains, majors and a few colonels.

The essence of the move led by Defence Minister Jaun Ponce Enrile and Constabulary chief then Lieutenant-General Fidel Ramos was timing, according to young officers involved, who now feel that at least some of the story can be told. "It did not happen just like that," one young colonel told AGENCE FRANCE-PRESSE Saturday. "Some Western military attaches knew about it the week before, and even a few journalists had been tipped off." The timing was a week to the day after Mr Marcos had been proclaimed for another six-year term by a National Assembly heavily dominated by his own ruling party. The opposition, charging they had been cheated of victory by massive fraud, had launched a nationwide protest campaign.

More significantly for RAM, the move came as signs grew that Mr Marcos and powerful Chief of Staff General Fabian Ver were about to arrest RAM officers. "My house was cased several times, and another officer was being followed," said a young colonel from the southern city of Cagayan de Oro. "We came to realize the crackdown was going to be soon, before March 1."

March 1 was the day the already embattled President Marcos had, under strong pressure from Washington, named as the retirement date for Gen Ver, a controversial figure since he was implicated in the 1983 assassination of Mr Marcos's arch political rival Benigno Aquino. Gen Ver personified RAM's frustrations -- his men, they say, took key posts, orders were relayed directly through the presidential palace to his own men, not through normal military channels. The Armed Forces of the Philippines, in their eyes, was a private army.

Mr Marcos had twice announced Gen Ver's retirement, leaving his proposed successor, Lt-Gen Fidel Ramos, to plead with Mr Marcos not to let Gen Ver go through with a flurry of "midnight appointments," making sure that his men would be salted throughout the country's key posts by March 1, sources said.

The young colonel who was head of the local RAM steering committee started moving as fast and as unobtrusively as possible -- like senior RAM officers nationwide -- assessing the loyalties and potential of neighbouring commands. "At that stage Cotabato could be relied on, Zamboanga not, this general against us, that one predictably not -- he owed his position to Gen Ver."

The race against time continued as the possible mass arrest date drew near, and RAM members tried to assess strength down to the last unit. "In Cagayan," said Colonel Rejino Calub, "we had three brigades, one we could be sure of, from the battalion commanders we had 60 percent sympathy."

Col Calub himself was in Zamboanga the fateful Saturday when Lt-Gen Ramos and Mr Enrile announced their stand at Camp Aguinaldo with a seemingly impossibly small number of troops, 90 by initial count, none with heavy weapons. A few more trickled in overnight. One 42-year-old major who had brought some men from the north, saying he had been "in position" for a few days.

Mr Enrile, by this time battling fatigue as thousands of civilians swarmed around Aguinaldo to defend it, reeled out reports of who was with him throughout the provinces. Some military commanders, such as Col Alexander Aguirre in the mountain city of Baguio, sent messages of support through the Catholic Radio Veritas. Still the small band of troops swelled to no more than 300, and Mr Enrile Sunday afternoon marched the kilometer or so to neighbouring Camp Crame to link up with Gen Ramos, who had occupied it some 18 hours earlier.

Col Calub was not able to make it in until Monday, through the civilian airport and in civilian clothes. A battalion that tried to make it up from the south was arrested by loyalists. Two helicopter units made it, plus a fixed wing unit later allowed to land at a U.S. military base. In the south, one RAM officer rode 204 kilometers (122 miles) Saturday night on a motorbike to alert an outlying unit that CPX was on.

That RAM, or at least those who were listening to them, was widespread, became evident when planes ordered to strafe Camp Crame suddenly found equipment malfunctions, and an order to mortar the camp was countermanded. Hundreds of thousands of civilians stopped tanks getting through to Crame. RAM silenced the president by taking the government television station. Tuesday evening Mr Marcos fled and loyalist troops dispersed.

It was not until a week after CPX was activated that Mr Ramos, Armed Forces chief of staff under President Corazon Aquino, announced the retirement of 21 overage generals -- including Gen Ver and some of his most recent appointees.

PRESS EXAMINES AQUINO CABINET MAKEUP

HK010729 Manila BUSINESS DAY in English 28 Feb 86 p 4

["Here and Now" column by Francisco S. Tatad: "Defending the Cabinet"]

[Text] President Corazon Aquino has now formed her Cabinet. It is a combination of the old and the new, most of them coming from Luzon, from outside the Batasan rather than from inside, with only one or two who may be called technocrats. It is a Cabinet hammered on the anvil of political pragmatism and compromise.

The most sensible thing about it is the reconstruction of the office of executive secretary, who used to be called the "little president." Marcos owed much of his success during his first term to his executive secretary Rafael Salas, and during the early part of martial law to Alejandro Melchor, the last occupant of the office.

Melchor, however, became much too powerful for the President's comfort. Marcos got rid of him by abolishing the office and transferring its functions to his assistants. This caused the administrative efficiency of the president's office to atrophy. Official papers habitually got misplaced, and written communications went unacknowledged.

President Aquino will need strong administrative support, and the restoration of the office is the best way to see to it. But there are several criticisms that the President must address. The first is that she seems to have decided to retain most of the boxes in the Marcos Cabinet, including those that should now be done away with, or at least modified. One such is the post of information minister, which was created upon the proclamation of martial law in 1972 and abolished when its first and only occupant resigned in 1980. This had since been replaced by the Office of Media Affairs, headed by a director-general with the rank of minister.

Whatever its redeeming qualities, and it was not without any, the ministry of information was part of the martial law structure, and had become inconsistent with the new government's announced program of removing the last vestiges of the martial law period. I believe I have a small insight to contribute to this, having been the sole occupant of the office for as long as it existed. President Aquino may want to consider renaming Teddy "Boy" Locsin's ministry as ministry of culture or ministry of culture and broadcasting just to give it the appropriate thrust and focus. I'm sure the press will welcome it.

The second criticism has to do with the quality of some of the appointments. After the victory of people's power, there is an expectation of a completely new government. Defense Minister Juan Ponce Enrile and Gen Fidel Ramos, although part of the old government, are seen as real heroes who made it possible for the new Armed Forces to become part of the people's movement that ultimately ousted Marcos. But there seems to be little enthusiasm for the other former members of the Marcos government. This is not completely fair to Ernesto Maceda and Luis Villafuerte, who had cut off their ties with Marcos long before the elections, and who had fought on the side of the new President. But the problem exists, and it will be necessary for the President to address it.

Because of certain pet ideas that had grown in the last few years, it will now be necessary for the President to say to all her partisans that it is not nearly possible to form a completely new government that has no links -- no matter how transitional -- to the immediate past. It would be far more tyrannical and unjust to declare anybody who had been touched by the Marcos regime as leprous and unfit.

Very few are Simon-pure. Those who are cannot ignore the fact that some men and women had given up positions of influence in the Marcos government in order to oppose him -- some of them, long before it had become fashionable to oppose him; long before any kind of victory was in sight. Of course, nothing prevents anyone from questioning the moral fitness, political probity and professional competence of these appointees. And they must be prepared to acquit themselves on their own merits.

The third criticism has to do with the appointment of Namfrel [National Citizens' Movement for Free Elections] chairman Jose Concepcion Jr as minister of trade. He has enormous prestige and is eminently qualified for the job. But in view of the accusations that Namfrel, contrary to its claim of non-partisanship, was partisan for Mrs Aquino, his coming on board the cabinet at this time might be read as confirmation of these charges. This could imperil Namfrel's continued role in future elections.

The fourth criticism has to do with Vice-President Laurel's appointment as foreign minister, after having been named as prime minister-designate. Many people don't understand this. Is this a recognition of Laurel's limitless abilities, or an attempt to place him on the same level as the deposed Mrs Marcos who, in her time, was first lady, governor of Metro Manila, and minister of human settlements, aside from being, in the words of Gen Romulo, the "de facto vice-president"?

In fairness to Laurel, there should be an effort to explain the fact that the vice-presidency is really like an unfurnished apartment (you cannot sleep in it), and the prime ministership, although it sounds great and places the prime minister on the same level as other heads of government, has an annual appropriations of P5 million and is not nearly as powerful as the defense or education ministries.

BUSINESS DAY INTERVIEWS TRADE MINISTER CONCEPCION

HK010800 Manila BUSINESS DAY in English 28 Feb 86 p 2

[By Daniel C. Yu]

[Text] "All good people who can do something for the country should now come together and contribute their share to uplift the economic condition of the people," said Jose S. Concepcion Jr., the man appointed by President Corazon C. Aquino to head the sensitive Ministry of Trade and Industry (MTI).

Amid ringing phones and a stream of well-wishers coming into his office on the eighth floor of the RFM Bldg., more popularly known as the headquarters of the National Citizens' Movement for Free Elections (Namfrel), Concepcion told BUSINESS DAY that he intends to put the whole ministry "within the reach of the citizenry."

"We have to continue the spirit that has given birth to People's Power," he said. "We will be harnessing a lot of citizens to help us."

He said he will soon come out with a major policy pronouncement that would give a new thrust to the ministry. "We have to bring the ministry to the level of the people so it can better serve their interest," he said.

INVITATION. Concepcion said that when Mrs. Aquino called him up last Wednesday, inviting him to her Cabinet, he was hesitant to accept at first. He said the President offered him the post of either trade and industry minister or education minister. "I thought that after the crisis, I will be able to go back and attend to my private business," he said.

Concepcion heads several companies under the flagship of RFM Corp. where he is president. At the same time, he is a director of a bank, a number of landholding companies and several financial institutions. He is also actively involved in a number of joint ventures in the region.

In recent years however, Concepcion became known more as the national chairman of Namfrel, a citizen's watchdog body that figured prominently in the 1984 Batasan election and the Feb. 7 presidential polls. After consultations with business colleagues, the Namfrel executive council as well as the Catholic Church, Concepcion said he decided to accept the post of minister of trade and industry.

"It was a difficult decision." He said Jaime Cardinal Sin told him: "Joe, you have been crusading for the last 21 years for a better government. Now you have a chance to do something. You have to accept the position so you can effect those changes."

"In a way, my decision to accept the position was not a personal one but a collective decision. It was really my commitment to be of service to the people that finally made me accept the invitation to help," he explained. He said that in assuming the post as minister, he will be making a very big sacrifice -- he will have to resign from all the companies where he is involved in.

EXPECTATIONS. "It is however important that we succeed," Concepcion pointed out. He said following the events of the last several days, the people are expecting so much from the Aquino government. "It frightens me to think of what will happen if we do not live up to these expectations. There will be a lot of frustrations," he said. Concepcion added that he will put his all to make the government really serve the interest of the people. He described his general approach as "people's capitalism." This means bringing the ministry closer to the people and giving people the opportunity to participate in the task of nation building, he explained.

Among others, he said he will vigorously pursue the program of regionalizing the MTI. "We have to remove the concept that the MTI is an elitist agency that serves the people in Makati only. We have to go to the provinces and the urban centers in these areas," he said.

Concepcion believes that the first order of the day is to find ways of increasing economic activity in the rural areas either through the promotion of small- and medium-scale industries or through industrial development.

Regarding the numerous assets acquired by the government through the National Development Co. (NDC), Concepcion said there is a need to clearly determine the viability of these companies, put them into productive use, create jobs and produce more goods. He said eventually these enterprises will have to be transferred to the private sector. He stressed however that private ownership of these enterprises should be expanded. "Gone are the days when only one or two groups own such enterprises. We have to work for a mass-based ownership structure," he said.

On the progressive manufacturing programs under the Board of Investments (BOI), such as those for the car, truck and electronics industries, he said a clear policy direction must now be established. "We cannot forever go on vacillating. One way or another, the problems will have to be resolved," he said.

In all these, Concepcion said the interest of the country and the people is paramount. "Everybody has to do his share and we cannot afford to fail. This country has tremendous natural and human resources. If we do not succeed, the country will end up in a far worse position," the new MTI chief said.

AGRICULTURE, FOOD MINISTER MITRA CITES GOALS

HK010749 Manila BUSINESS DAY in English 28 Feb 86 p 23

[Text] Agriculture and Food Minister Ramon Mitra yesterday said agriculture's main thrust now is to integrate all agencies involved in agriculture and dismantle coconut, sugar and grains monopolies.

In a press conference after he took over from former Minister Salvador H. Escudero III, Mitra said he is also bringing in new deputy ministers to assist him. Carlos Dominguez, president of BPI Agricultural Development Bank, will be named deputy minister for agricultural credit.

MP Oscar Santos, a critic of the coconut monopoly, will be appointed deputy minister for the coconut industry while Emil Ong, an opposition leader from Samar, will be deputy minister for the National Food Authority.

Mitra also said he would "retain the competent deputy ministers." He also noted the need for policy reforms to prevent competent staff from being pirated. "Like (former deputy minister Orlando) Sacay, I heard he is being offered by several international organizations and so far everything that I have heard about (former deputy minister Domingo) Panganiban are all good," Mitra said.

Both Panganiban and Sacay have filed their resignations to President Aquino. Sacay has accepted an offer from the Food and Agriculture Organization as agricultural planning advisor to Nepal for six months starting March 15. In his resignation, however, Sacay said that he is willing to serve the Aquino administration if needed. Panganiban told BUSINESS DAY he will concentrate on farming once he leaves the government.

Mitra said he will also create a special group to evaluate accomplishments and competence of bureau heads and regional directors as a part of the massive reorganization of the ministry. He also said that to attract the competent people, "we have to look into the scale of their wages, salaries and benefits." An increase in their compensation might be necessary to keep them with the ministry, Mitra said.

Mitra said agricultural agencies like the National Food Authority, Philippine Coconut Authority and Philippine Sugar Commission will be put under MAF. "We will want some involvement with the Land Bank (of the Philippines). We have noticed that bulk of their (loan) portfolio are not with agriculture," he said.

Asked if his various agricultural businesses will not mean a conflict of interests now that he is the agriculture minister, Mitra replied, "I'll probably sell all my (cattle) ranches." "I'm now clearing this matter with our ethics committee. I love my ranches, they are very efficient and very modern but if I have to give them up I will sell them." Mitra owns several ranches, one of them is located in Isabela but he says these are in partnership with foreign investors, mostly Australians. Now that he is the new agriculture minister, the issuance of pasture leases will be subject to his approval.

Mitra's present priority is "to solve the rice problem once and for all." Although there is no definite plan and no proposals have been made yet, Mitra has this "crazy idea" of subsidizing ("that's a bad word," Mitra quipped when he heard the word subsidy from one of the newsmen) rice farmers. His idea is to increase the palay support price to P4.00 from the present level of P3.50 per kilo and resell this at half the price to consumers.

At the present rate of production, total value of palay produced per crop year will amount to about P30 billion. If the whole production is sold at half the price, it will mean losses of P15 billion for the government. However, Mitra said this will increase the consumer base, because it will raise the buying capacity of farmers, the biggest sector of the population, for non-agricultural products.

The loss of P15 billion will be compensated by the income from taxes and the lower cost of the insurgency drive. He said this has to be coordinated with the ministries of finance and national defense. "The idea might be crazy, but I would like to give it a try," Mitra said.

BANKS WANT INTEREST RATES CUT, PESO STABILIZED

HK010631 Manila BUSINESS DAY in English 28 Feb 86 p 3

[By Conrado R. Banal III]

[Text] The banking community is back to normal. Banks are once more grumbling about high interest rates and the unstable peso-dollar exchange rate, while bankers are in a critical mood anew. While bankers are generally optimistic about the change of government, they have reservations about certain key appointments in the new cabinet.

Bankers interviewed by BUSINESS DAY said they are waiting for the new government's monetary policies. "It is understandable that the government is still trying to organize things, but the banking system needs a firm direction which the government can provide through its monetary policies," one said.

In a board meeting yesterday, the Bankers Association of the Philippines (BAP) discussed what support banks can give to the new administration. A source said the BAP decided to inform the new government that banks will "do their share in solving the country's monetary problems." He said the BAP purposely expressed its support in a "general sense."

Its suggestions to the new government however were more specific. The BAP yesterday decided to ask the government to bring down interest rates and stabilize the peso-dollar rate.

Bank lending rates recently rose from between 17 percent and 21 percent a year to between 25 percent and 30 percent a year, discouraging business from borrowing to pursue expansion plans. The BAP believes that lowering interest rates will promote more business activities.

But the new government may have no option but to allow the Central Bank [CB] to continue its tight control on funds. The recent increase in bank lending rates resulted from the CB's raising its interest payments on government IOU's, which it employs to mop up "excess" liquidity. The interest payments were in turn hiked to reduce reserve money -- the cash issued by the CB which indicates overall funding in the system -- by close to P4 billion.

The past administration has committed to the International Monetary Fund (IMF) that it will keep reserve money under the P37.4-billion level by end-March. At present, reserve money already amounts to more than P40 billion. The new government therefore will have to ask the IMF for substantial leeways in monetary policies if it intends to bring about a dramatic drop in interest rates.

The present high level of reserve money will exert an upward pressure on the prices of goods. The CB estimates that the effect on the inflation rate of this high level will be felt by June this year, unless money is taken out of circulation before that.

Regarding the peso-dollar rate, the speculative mood is still present. Bankers said their clients have been calling up to ask by how much the peso is expected to fall against the dollar, which to them is an indication of public and business uncertainties regarding the exchange rate. Some banks for instance are still buying dollars at whatever rates are prevailing in the market, although it is doubtful that there is such a huge demand for dollars at present, bankers said. "It looks like self-interest is still ruling our society," one banker commented. In yesterday's interbank dollar trading, for instance, banks traded at rates of between P21.50 per dollar and P22.70 per dollar -- a difference of P1.20 per dollar between the lowest and the highest rates. A stable exchange rate would limit the difference to less than P0.10 per dollar, bankers said.

The BAP suggestion to "stabilize" the exchange rate may be a veiled desire among banks that the government should devalue the peso, a banker said. Others expressed disappointment over what they called "compromise appointments" in the new cabinet. They noted that while the new cabinet members have different political affiliations, it is still a "Marcos-type" cabinet. "I believe the people want a different kind of politics," one banker said.

Many do not agree with the appointments of who they called "old-time politicians" in the new cabinet and of those who may have "conflicts of interests" in their new posts. There is also one cabinet member who should have declined the appointment because he was supposedly nonpartisan during the snap presidential election, some said.

Bankers also said the "people power" which catapulted the new government to authority may have to be used to remove some members of the new cabinet. Certain groups which are politically nonpartisan must again work so changes can be made, they said.

CENTRAL BANK GOVERNOR'S RETENTION PROTESTED

HK010115 Manila Far East Broadcasting Company in English 2300 GMT 28 Feb 86

[Text] Some 500 bank employees yesterday [28 February] trooped to the Cojuangco Building in Makati to appeal to President Aquino for reconsideration of Central Bank Governor Jose Fernandez's retention in the cabinet. Presidential spokesman Rene Saguisag said the picketers, most of them from the defunct Banco Filipino, proved to be healthy signs of feedback mechanism for the new government. As this developed, thousands of people gathered yesterday noon on (Pasayo) de Roxas, in what they claimed as a victory march on the installation of President Aquino and Vice President Salvador Laurel.

IMF TO ALLOW IMPORT CONTROLS FOR 2 MORE MONTHS

HK030340 Hong Kong AFP in English 0312 GMT 3 Mar 86

[Text] Manila, March 3 (AFP) -- The International Monetary Fund (IMF) has allowed the Philippines to maintain import controls for another 60 days, Minister of Trade and Industry Jose Concepcion announced here Monday. Mr Concepcion, a food magnate named by new President Corazon Aquino to her cabinet Wednesday, had sought the deferment of an import liberalization program in order to protect weakened local industries from foreign competition.

The program, which would affect a dozen key industries, was to take affect January 1.

It was put off by then President Ferdinand Marcos to woo the business sector in his campaign for the February 7 presidential election against Mrs Aquino, who was installed in power Tuesday after a military-civilian revolt. In the press forum where Mr Concepcion announced the new deferment, a prominent flour miller and business leader, Felix Maramba, estimated that local factories were operating at only 40 to 50 percent of capacity.

Mr Concepcion told reporters later that the IMF, which represents foreign lenders in talks with the Philippine Government, sent Manila a telex Friday allowing the deferment of the import-liberalization program.

The Philippines has been suffering a severe economic crisis since the 1983 assassination of the new president's husband, opposition leader Benigno Aquino. Mrs. Aquino has listed economic recovery among her top priorities.

Key industries expected to get a boost under the deferment are chemical products, iron and steel, beverage and food processing, consumer durables, synthetic resins, pulp and paper, textiles and synthetic fibres.

BUSINESSMEN OPTIMISTIC ABOUT ECONOMY UNDER AQUINO

HK272242 Manila BUSINESS DAY in English 27 Feb 86 p 2-3

[Text] Businessmen believe that the economy would soon be on its way to recovery because with the installation of a new national leadership, the confidence, not only of the local business sector, but also of foreign investors has returned. But the task of nation rebuilding would be a slow, painful process and the economy is likely to exhibit growth only by the last quarter of the year, they said.

Executives also said foreign creditors are now expected to ease up on their decisions regarding the Philippines's international debts as well as future lendings to the country. Likewise, they said trade and diplomatic relations with other countries may be enhanced further with better chances now of the international community looking forward to a better Philippines.

Many agree that economic and political stability primarily hinges on confidence in the government, and that with the administration of the newly installed President Corazon C. Aquino, the country would not be far off from achieving this goal. "The confidence factor is very important for national recovery because it involves not only confidence of the business sector but also that of foreign investors, and most important, that of each and every individual Filipino," Victor Barrios, president of PISO Bank, said. Businessmen said they have scheduled a meeting last night to "frame a position on how the business sector is going to work" with the Aquino government.

On the other hand, the ordinary man on the street is likewise optimistic that the Aquino government would provide more employment and better standards of living. "Naniniwala po kami na darating ang araw, sa pamamagitan ng gobyerno ni Cory, magkakaroon na ng maraming trabaho para sa mga mamamayan at hindi na tayo maghihirap; ang ating mga anak at mga apo kakain na nang wasto at maaari nang mag-aral," Mang Ambo, an elderly cigaret vendor, said. ("I believe that they day will come, through Cory's (Aquino's nickname) government, when there will be more employment for us and we will no longer be poor; our children and grandchildren will have enough to eat and can go to school.")

Businessmen are confident that the optimism the new government generates would spur the economic activity that will provide employment and raise incomes.

However, some people have also expressed reservations about the new government's ability to sustain the people's confidence in it. "Many people consider President Aquino as a knight in shining armor who would transform the country into another Camelot. While her integrity is unquestionable, I wonder up to how long she can remain untainted by the people around her who are only motivated by self-interest," William Keyes, executive director of the Freedom to Build, Inc., a local construction outfit. Keyes noted that many officials in the previous Marcos government have defected to Aquino's camp, and if Aquino decides to retain them in her administration, they may ruin her idea of government. "If these people who have been accustomed to graft and corruption are retained in office, what is to prevent them from doing the same under her administration? If she is to clean up the government bureaucracy, she would have to send many people to jail and it is still unclear if she has the will to undertake such a cleaning up," he added.

But on the whole, businessmen believe that the private sector can now hope for better times because of the anticipated changes that the new government are expected to institute. "A Cory scenario means an entirely new ballgame for all of us, with hope as the primary guiding principle. We must remember that many people voted not for Cory but for change," Aurelio Periquet Jr., president of the Philippine Chamber of Commerce and Industry (PCCI) and the Employers Confederation of the Philippines (ECOP), said. Periquet added that businessmen are now not so much concerned about making profits as they are about the crisis gripping the country. "We have to respond to the call of the situation. Business should now be motivated by what is good for the country," he stressed.

Raul T. Concepcion, chairman and president of Concepcion Industries, Inc., said the proclamation of Mrs. Aquino provides a major psychological boost to the business community. He said the mood in the business community has shifted from negativism and cynicism to an eagerness to buckle down to work and tackle the economic problems that confront the country.

He however expressed apprehension that the current euphoria may put too much pressure on Mrs. Aquino. "I believe businessmen should take the lead role in effecting changes in their businesses by setting up new moral and ethical standards. President Aquino can provide the tone and leadership but we have to implement the changes," he said.

At the same time, Concepcion said the "people power" dramatized beginning Saturday evening has effectively set back the communist movement by at least 20 years. He said what happened beginning Saturday has proven that democracy works and can be established through non-violence.

Aquino has not outlined a detailed economic program but said she will ask foreign banks, which assembled a \$10-billion economic recovery plan for the Philippines, to reconsider terms of debts restructured. She will also have to deal with the International Monetary Fund (IMF) which monitors the country's economy. The IMF imposed strict monetary and fiscal restrictions after advancing a 615-million SDR (special drawing right, roughly equivalent to \$700 million) standby credit. It has postponed a review mission to Manila and the country has yet to draw the last two tranches of the credit.

CB [Central Bank] sources said massive election spending by Marcos was certain to have breached money supply targets.

Aquino has yet to begin grappling with the problems but all agree she has inherited an economy in almost total [sentence unfinished as published] The past two years were economically disastrous for the Philippines which owes \$25 billion in foreign debt.

The collapse of financial confidence began with the 1983 murder of Aquino's politician husband, Benigno, and the subsequent massive flight of capital. Despite Marcos's efforts, the economy contracted by 5.5 percent in 1984 and 3.9 percent last year.

ONGPIN STRESSES REVIVING INVESTOR CONFIDENCE

HK271802 Hong Kong AFP in English 1636 GMT 27 Feb 86

[Text] Manila, Feb 27 (AFP) -- The restoration of investors' confidence in government would be President Corazon Aquino's main solution for reviving the ravaged Philippine economy, her finance minister Jaime Ongpin said Thursday. "Our first task that we must attend to is to restore a level of confidence to a point where our people will be willing to resume making investments in our economy," Mr. Ongpin said on a state-run television talk show.

Mr. Ongpin, Mrs. Aquino's top economic adviser, said he did not know how long it would take for the economy to recover after experiencing negative growth for the past two years. But "with the kind of mandate that President Aquino has received, it should not be a problem at all persuading both local investors and foreign investors to resume or at least pursue their plans again of investing in this country."

A civilian-military rebellion installed Mrs. Aquino in power after she claimed deposed President Ferdinand Marcos cheated her of victory through fraud in a February 7 election. Mr. Marcos ruled the country for 20 years.

The second major priority is a renegotiation of the country's huge foreign debt, Mr. Ongpin said. He estimated it at 26 billion dollars, which he said was "very large" and "a source of very great concern." He said almost half of the country's foreign exchange earnings alone were being used to service the interest payments. Manila has not paid principals on maturing loans since October 1983. The Philippine economy went into a tailspin in the wake of the August 1983 assassination of Mrs. Aquino's husband, Benigno Aquino.

\$13 MILLION IN 'SOFT LOANS' FROM DENMARK RECEIVED

HK262036 Manila PHILIPPINES DAILY EXPRESS in English 22 Feb 86 p 8

[By Rose de La Cruz]

[Text] The Danish Government is extending to the Philippines some \$13.06 million in soft loans this year for the rehabilitation of four existing ice plants. The loan is interest-free and is payable in 25 years with a grace period of seven years.

A Denmark-based firm, the Sabroe-Atlas, has been contracted to undertake rehabilitation works on the plants. Technical team of the firm are arriving here next week.

The ice plants to be rehabilitated are those in Surigao City, Placer in Masbate and Cuyo and Coron in Palawan, which have been idle since 1983. The bulk of the Danish loan proceeds will go to the Surigao City ice plant which has a rated daily capacity of 40 tons.

The operation, control, supervision and development of ice plants were transferred in 1983 to the Philippine Fisheries Development Authority (PFDA) from the Bureau of Fisheries and Aquatic Resources, (BFAR). It was BFAR that negotiated the original loans for the ice plants. The new Danish credit facility was negotiated by the PFDA. The PFDA had asked for the credit facility from the Danish Government last year to finance the rehabilitation of seven ice plant and cold storage facilities in the country. The PFDA proposal sought the inclusion of the amount in the \$12.5-million loan package originally sought asked by the government from Denmark to finance the following projects: water supply systems of the Local Water Utilities Administration; the tomato paste and fish canning facilities of the Farm Systems Development Corp. and feasibility studies of the National Economic and Development Authority.

Of the 28 ice and cold storage facilities of the government, only four have been rehabilitated and leased out to private entrepreneurs. Five of the 28 ice plants were "junked" by the Ministry of Agriculture and Food (MAF) because their conditions were considered "beyond repair."

Some P308 million worth of government investments in the chain of ice plants and cold storage facilities, have been wasted because of poor planning and maintenance of these facilities, put up over the past 10 years, a study of the PFDA showed. The study also pointed out the following: poor maintenance and mismanagement of ice plants led to the sorry state of the facilities; some ice plants were installed in areas where they are not needed, hence their under-utilization, and to earn more income from such facilities, the government has to lease from to the private sector.

BUSINESSMAN RETURNS AFTER 9 YEARS' EXILE IN U.S.

HK011438 Hong Kong AFP in English 1417 GMT 1 Mar 86

[Text] Manila, March 1 (AFP) -- Former business magnate Eugenio Lopez flew back to the Philippines Friday after nine years exile in the United States, but said he was unsure whether he would try to reclaim the properties seized by the Marcos government. Mr. Lopez, 56, was jailed for five years for alleged involvement in eight separate plots to assassinate former President Ferdinand Marcos, but escaped in 1977. He came back three days after Mr. Marcos was forced to flee into exile and hand over power to Corazon Aquino in the face of a growing military-civilian rebellion.

Mr. Lopez was met at Manila International Airport by his uncle, former President Fernando Lopez, close friends and relatives. He told journalists on arrival that he had come to the Philippines to "savor the fresh air" and said he was not yet sure what steps if any he would take to revive his business empire. His holdings included the Manila Electric Company (Meralco), taken over by the Marcos government on the promise of three billion pesos (150 million dollars) compensation which has not been paid.

Mr. Lopez' newspaper, the MANILA CHRONICLE, was one of the largest in the nation before martial law was imposed from 1972 to 1981, but he said he would have to feel out the prevailing atmosphere before deciding whether to resume publication.

FINANCIAL DISTRICT CELEBRATES 'PEOPLE POWER'

HK280652 Hong Kong AFP in English 0628 GMT 28 Feb 86

[Text] Manila, Feb 28 (AFP) -- The financial district of Makati Friday broke out in a humorous lunch-hour celebration of "people power," which together with a military revolt is credited with toppling strongman Ferdinand Marcos Tuesday.

Amid powerful firecracker explosions, honking car horns and a confetti shower, tens of thousands of Manila's businessmen, executives and employees who helped install Corazon Aquino as president poured out of buildings and marched in littered wide avenues, eyewitnesses said.

A bedsheet-size banner in the opposition colors yellow and green carried an 'advertisement': "people power -- proven effective against tanks, APC's and small arms -- now available nationwide." Aquino supporters had bodily blocked tanks and armored personnel carriers (APC's) of Marcos loyalist troops to defend rebel forces led by Defense Minister Juan Ponce Enrile in the phenomenal Saturday-to-Tuesday revolt.

Marchers wore "people power" hats, computer printouts stuck to cars said "free again" and huge yellow streamers hanging down lamp posts said, "long live the Filipino." Balloons, full-size national flags and placards were everywhere, and a number of telephone books, which used to be shredding into confetti for anti-Marcos protests, dangerously fell onto the pavement. Observers said it seemed more like a self-congratulation by the people in high good humor than a victory celebration for Mrs. Aquino, whose temporary presidential office is located in a seven-storey building in Makati owned by her family.

CEBU, OTHER CITIES CELEBRATE AQUINO VICTORY

HK010849 Manila METRO MANILA TIMES in English 28 Feb 86 p 2

[Text] Cebu City

It was like liberation day in Cebu Tuesday night when thousands of Cebuanos celebrated the downfall of president Marcos. As news broke out over the radio that the president had left Malacanang on his way to the US, Cebuanos danced on the streets and made noise on any thing they could lay their hands on.

At the Fuente Osmena in uptown Cebu City, site of many protest rallies in this staunchly opposition bastion, people sang, danced, fired shots and firecrackers exploded until the wee hours of the morning. Until yesterday, the same jubilation and excitement prevailed over the city as employees returned to their work and classes resumed.

"It is a sweet victory for Cory," an employee said.

"I hope we can start a new beginning with the people fully supporting the new president," a jeepney driver commented.

"Cory deserved the mandate because she is really the people's choice," a vendor added.

Sighs of relief hover over the city as many expect a better deal under the administration of the newly-installed president.

Cotabato City

More than 5,000 people yesterday converged at the city's Rizal Plaza to rejoice over the proclamation of a new government under President Corazon Aquino and Vice President Salvador Laurel.

United Nationalist Democratic Organization (Unido) chairman for Maguindanao and Cotabato City former Governor Zacaria Candao said the rally was aptly called "Tagumpay ng Bayan" or "People's Victory." It was preceded by marches from at least five points in the city.

These points included the office of the regional government complex, Notre Dame University, Quirino bridge, the supermarket area, and Campo Muslim.

People from all walks of life and representatives of both religious and cultural sectors of the city's community joined the "Tagumpay ng Bayan" rally. Sectoral representatives from the youth, professionals, women, farms, labor, church, the Muslims, cultural communities, veterans and even government workers delivered messages.

Legaspi City

It's back to normal here as people look forward to a better Philippines under President Corazon C. Aquino. Life returned to normal after an announcement from Manila that former President Marcos left Malacanang Tuesday night en route to Clark Air Base in Central Luzon. Everyone expressed support to the administration of President Aquino and expressed hopes that unity would prevail in the country.

Starting at 9 a.m. yesterday depositors crowded banks to withdraw or encash salary checks after the two-day bank holiday declared by the Central Bank. Some depositors said they could have gone hungry if the bank holiday continued. Others still expressed gratitude to Mr Marcos for avoiding further resistance to the incoming new government leaders.

Throughout the three-day tense situation, the Bicol Region remained peaceful although many feared possible confrontations from the forces of General Fabian C. Ver or from the New People's Army. Through the past days, Brig, Gen. Renato S. De Villa assured Bicolanos that the military was prepared for eventualities and called everyone to remain calm.

There were no untoward incidents since the start of the siege at Camp Aguinaldo in Manila last Saturday.

AQUINO HOPED TO ADDRESS MUSLIM PROBLEMS

HK280505 Quezon City DZFM Radio in English 0400 GMT 28 Feb 86

[Text] Muslims in the country have expressed hope that the government of President Aquino will respond quickly to the problems faced by some 7 million Filipino Muslims in the Philippines. A large Muslim organization called for the appointment of a Muslim leader in the new cabinet, which would help bring about change in the plight of the Muslim Filipino. Jojo Ismail reports:

[Begin Ismail recording] [Words indistinct], who is known to be a diehard Corazon supporter, expressed fear brought about by the list of appointments to the cabinet. Mr (Samanog) said that there is no Muslim leader named to the cabinet to represent the Muslims in the government. (Samanog) urged the administration of President Aquino to take action soonest on the matter so as not to create doubts among the Muslim Filipino nationals.

Earlier, Sultan (Makapansa Abas) Jr, spokesman of the Moro National Liberation Front reformist group, expressed acceptance of the new administration under President Aquino and Vice President Laurel. [end recording]

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